

Asia on Path To Stabilize Its Markets, Rubin Says

U.S. Is Trying to Help Rebuild Confidence, Treasury Chief Adds

Blumberg News
WASHINGTON — Robert Rubin, the U.S. Treasury secretary, said Sunday that Southeast Asian nations were "well positioned" to regain stability after last week's stock market rout in Hong Kong, which spilled over into other parts of Asia, and to Europe and the United States.

"They are well positioned to re-establish financial stability," Mr. Rubin said on the ABC News program "This Week," adding, "How long it will take is not a prediction that anybody could make."

Mr. Rubin said the United States had been in contact with international authorities like the International Monetary Fund to try to re-establish investor confidence in the region.

"The key for us is to work with the governments and the international financial institutions—the IMF and the World Bank—to re-establish financial stability."

Asia crisis spoils appetite for risk. Page 8. • Profit slump at Peregrine. Seoul seeks to arrest market slide. Page 11. • Hong Kong moves against speculators. Page 12.

in Southeast Asia," Mr. Rubin said. "We've been very involved, even over this weekend, in helping shape responses that will re-establish fiscal responsibility and financial stability in Southeast Asia, which is enormously important to us."

Still, Mr. Rubin said the main responsibility for stability lay with the countries involved in the crisis. "The key though, as always in these kinds of situations, is that the countries themselves have to establish sound policy regimes."

Mr. Rubin also said the U.S. Treasury was working closely with individual nations, and with Indonesia in particular.

After Mr. Rubin's remarks, the Treasury declined to say why the United States was working with Indonesia so closely. Indonesia has about \$20 billion in private foreign debt maturing before the end of the year. Hubert Neiss, the IMF's director for Asia and the Pacific, was in Indonesia last week.

Last week, Indonesia's trade and industry minister, Tjok Djubir, told the IMF that the country had no plans to cancel its "national car" project, one of the spending plans analysts say they would like to see abandoned. He also said the IMF talks had gone "smoothly, and progress has been made."

President Suharto's youngest son, Purnomo (Tommy) Mandala Putra, controls PT Timor Putra Nasional, which was given exclusive tax and import-duty breaks in 1996 to produce a car that is eventually supposed to be entirely locally made. For now, the company is still selling cars made by Kia of South Korea, which are imported duty free.

Indonesia's government canceled \$17 billion in projects on Sept. 23 in an effort to control spending and restore confidence in the economy.

On Thursday, stocks fell in Hong Kong and throughout Asia, with Hong Kong's index plunging more than 10 percent. The rout spilled over into other Asian markets, including Japan, where the Nikkei index fell 3 percent, triggering declines in European and U.S. stocks.

Hong Kong's benchmark index tumbled as global fund managers began unloading shares in Asia's second-largest market after the territory's chief executive, Tung Chee-hwa, said in London that interest rates might have to rise to defend the Hong Kong dollar.

Mr. Tung's comments and the sell-off drove overnight rates as high as 150 percent while the one-month Hong Kong Interbank Offered Rate—the rate banks charge each other—rose as high as 47.5 percent. Higher rates deter borrowing and slow apartment sales, which affects Hong Kong's stock market because seven out of 10 listed companies invest in property.

On Friday, however, the Hang Seng index rallied 6.9 percent, reversing part of Thursday's rout. U.S. stocks declined for a second day Friday as concern spread that slowing economies in Asia would hurt semiconductor companies.

Newstand Prices	
Andorra	10.00 FF Lebanon
Armenia	12.50 FF Morocco
Austria	10.00 CFA Qatar
Cameroon	1.800 CFA Réunion
Canada	25.550 Saudi Arabia
France	10.00 FF Senegal
Germany	1.100 CFA Spain
Greece	2.200 CFA Tunisia
Italy	1.250 JD U.A.E.
Jordan	700 FF U.S. Mkt. (Eur.)
Kuwait	1.200



President Jiang Zemin of China reviewing an air force honor guard Sunday on his arrival in Honolulu, his first stop on American soil.

For the Peronists, Victory Is Far From a Sure Thing

By Anthony Faiola
Washington Post Service

BUENOS AIRES — During the 1990s, Argentine politics seemed like a one-party system: The Peronists, whose legacy dates to the famous — and infamous — former president Juan Peron, politically dominated this country with the divided opposition posing hardly any threat.

But all that has abruptly changed, affecting the voting Sunday in Argentine congressional elections. An alliance formed between the Peronists' two main political adversaries — the center-right Radical Civic Union and the leftist Front for a Country in Solidarity (Frepaso) — left the Peronists on the ropes in regions that once made up the very core of their political power. It caused a media frenzy in this nation of 35 million, headachings for President Carlos Saul Menem's embattled Peronists, and a lot of pontificating from political experts who view the elections as a virtual primary for the presidential race in 1999.

[A leader of the opposition alliance predicted the collapse of Peronistic control in the lower house of Congress as voting started Sunday, Reuters reported from Buenos Aires. "An era is definitely coming to an end," said Senator Graciela Fernandez Meijide, a candidate in the crucial district of Buenos Aires Province, who is widely touted as a candidate in presidential elections.

[Mr. Menem shrugged off talk of defeat, predicting a "brilliant" Peronist performance as he cast his vote in his home desert province of La Rioja. But he was quick to add that the outcome

would have no bearing on the presidential election in 1999.]

Argentina, with perhaps the highest standard of living in Latin America, hardly resembles the chaotic, economic wreck it was in 1989 — the year Mr. Menem and his Peronists won office. Since then, Mr. Menem has carried out sweeping economic reforms, including a whirlwind of privatizations of state-run industries and the pegging of the peso to the U.S. dollar to end hyperinflation.

The result has reaffirmed this nation, once one of the world's 10 wealthiest, as the economic envy of Latin America. Local business is booming, foreign investment is soaring and services here are running more smoothly than at any time in recent history.

Yet even in this climate, the Alliance, as the Radical Civic Union-Frepaso bloc is called, has scored points with the populace. It has done so by saying it would keep Mr. Menem's economic plan intact while trying to slow his rapid pace of privatization and to use state funds to help create badly needed jobs for the millions left without work after government downsizing.

Indeed, although unemployment is falling after reaching a high of 18 percent this summer, it still hovers around 14.5 percent.

Perhaps The Alliance's most significant success has been labeling Mr. Menem's party as controlled by big business interests — pitting the Peronists against their followers among the lower class, on the backs of whom Juan Peron founded his party. The cut into the Peronist worker vote comes from the influence of

See ARGENTINA, Page 8

Jiang Begins Historic U.S. Visit

Albright Warns That He'll Get an Earful of Noisy Democracy

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Jiang Zemin of China arrived Sunday in Honolulu at the beginning of an extraordinary state visit to the United States that both sides hope will help transform a strained and prickly relationship into one of productive cooperation.

Mr. Jiang and a large delegation arrived at Hickman Air Force Base after a 10-hour flight from Beijing. Protesters from Amnesty International and other groups planned to meet him at his official stops in the islands, a forerunner of what the Chinese leader is likely to encounter in six other U.S. cities.

Referring to the expected protests, Secretary of State Madeleine Albright

said Sunday that Mr. Jiang would not have a "totally fuzzy time." But she added, in an appearance on NBC-TV, that "it is important for him to see where our liberty came from."

Mr. Jiang, 71, has been to the United States many times, but this is the first state visit by a Chinese president in 12 years.

While neither side expects huge steps forward, both hope for some regularization of a relationship that was derailed by Beijing's violent crackdown on pro-democracy protesters in 1989.

Mr. Jiang, in a rare news conference with foreign reporters before leaving Beijing, sought to appear conciliatory, saying that he personally had approved the signing of a United Nations covenant that would oblige China to protect its people from discrimination. He de-

scribed Chinese-U.S. relations as "moving toward a good direction."

Washington and Beijing are very close to an agreement that would enable President Bill Clinton to allow U.S. companies to sell billions of dollars of civilian nuclear reactors to China, senior U.S. officials said. But Mr. Jiang yielded no ground on other issues of concern to many in the West, defending Chinese rule of Tibet and rebuffing calls for the release of jailed dissidents.

Mr. Jiang's itinerary, which Mrs. Albright said was decided entirely by the Chinese, includes visits to places that Americans view as symbols of their nation's struggle for democracy and survival — from Pearl Harbor, Hawaii,

See CHINA, Page 8

Risk and Opportunity for Both Sides

America Pays in Technology For Foothold in Vast Market

By Paul Blustein
Washington Post Service

WASHINGTON — "Whatever it takes." That, give or take a caveat or two, is what many U.S. corporate executives say they are willing to do to tap the vast potential of China's market.

But China runs its economy according to very different rules from those prevailing elsewhere in the world. And more than ever, foreign companies seeking access to its rapidly growing market of 1.2 billion people find themselves subjected to extraordinary demands by state planners to hand over valuable technology and job-generating investments, especially in sectors that Beijing views as strategically important such as autos, aerospace and electronics. Companies that balk lose out to competitors.

Therein lies a problem rumbling below the surface of Chinese-American relations as China's president, Jiang Zemin, heads to Washington for a summit meeting this week with President Bill Clinton.

To win the right to form a joint venture with China's leading automaker that would make 100,000 cars in Shanghai, for example, General Motors Corp. promised this year to build a factory featuring "the latest in automotive manufacturing technology, including flexible tooling and lean manufacturing processes."

General Motors also pledged to establish five training

For Midwestern Heartland, Business Builds Chinese Ties

By John Pomfret
Washington Post Service

LAWRENCE, Kansas — The Jayhawk Bowling Co. was installing a 12-lane bowling alley inside a brothel in China last year when one of the pinsetters broke.

As Jayhawk's owner, Chuck Hardman, tells it, the Chinese manager lost his head. His staff couldn't repair the machine. So the brothel-bowling business, which he said was owned by the Chinese Army, complained to the local police. They responded by throwing one of Jayhawk's American employees in jail. He was released three days later, and the pinsetter was fixed.

The unsettling experience did not, however, sour the unflappable Midwesterner on the Chinese market.

"I like doing business with them," said Mr. Hardman, 59, whose \$5-million-a-year company has \$1 million in annual sales in China. "They seem to like us, too. They look to the heartland to get a square deal."

Increasingly, the heartland is looking back.

On the eve of the first summit between China and the United States since President George Bush's troubled Beijing journey in 1989, residents here can testify to the immediacy and speed with which China has come to touch the lives of average Americans. Once the purview of states on the Pacific Rim and the financial and political centers on the East Coast, American ties to China have started to loom large across the

See TRADE, Page 8

See MIDWEST, Page 4



PULLOUT IN BRAZZAVILLE — Members of the victorious Cobra militia that fought for General Denis Sassou-Nguesso waiting Sunday in the Republic of Congo capital, Brazzaville, to be integrated into the nation's armed forces. Angola agreed to withdraw its forces from the country. Page 7.

Italy Embraces 'Magic' of the Euro

By Celestine Bohlen
New York Times Service

PERUGIA, Italy — There is a magic word in Italian politics, and it is Europe.

Invoked during the brief collapse of Prime Minister Romano Prodi's government this month, it once again did the trick: The center-left government bounced back to life, buoyed by the strongest national consensus in Europe in favor of taking part in the 1999 start of a common currency.

Since the idea of the euro, as the single currency is called, emerged from the 1992 Maastricht treaty, Italians across the political spectrum have been

its most fervent supporters, even when Italy's bloated fiscal deficit made it look like one of the countries least likely to qualify.

Even now, after feeling the painful effects of stringent budget policies that have squeezed the deficit down to the

NEWS ANALYSIS

level required for joining the euro, the pro-Europe mood in Italy remains strong. According to polls taken by the European Commission last May, 73 percent of Italians questioned were in favor of the single currency, the highest approval rate of any of the European Union's 15 members. In contrast, 55

percent in France were in favor, compared with only 39 percent in Germany.

For workers at the Perugia chocolate factory here, "joining Europe" — the curious phrase often used by Italians when they talk about the fast-approaching merger of currencies and economic policies — is not just an abstract notion dreamed up by central bankers and politicians. It is a way of life that began in 1988 when Nestle, the Swiss-based international conglomerate, bought this most Italian of enterprises, maker of the famous blue-and-silver-wrapped Baci chocolate — "kisses."

See ITALY, Page 8

Harmonica Maker Battles the Blues

By John Schmid
International Herald Tribune

Even before musicians from 22 nations began arriving in the German village of Trossingen two weeks ago for the World Harmonica Festival, held every four years, the town already found itself tangled up in blues.

Trossingen's main employer, Matthias Hohner A.G., the world's best-known harmonica maker, plans to eliminate 300 jobs in the coming year after having cut 100 in the past year. The moves add up to a slashing of the work force by two-thirds, to 200 from 600, over two years.

Deepening losses and slumping sales may seem a surprising fate for a com-

pany that manufactured the first harmonica 140 years ago and prides itself on having helped make music history on the other side of the Atlantic, where American blues and folk music became reliant on German instruments.

Bob Dylan, Neil Young, Stevie Wonder, Bruce Springsteen, the Beatles and virtually every blues musician from Muddy Waters and Big Walter Horton to the less prominent acts in Chicago's smoky blues clubs have blown rifts on the harps made in this remote town of 15,000 on the edge of the Black Forest.

Abraham Lincoln, when he was U.S. president, wrote a letter to the Hohner company describing how he relaxed with his harmonica.

"When I began playing 33 years ago, there were no other harmonicas," said Peter "Mad Cat" Ruth of Ann Arbor, Michigan, named the 1997 harmonica player of the year by the Society for the Preservation and Advancement of the Harmonica.

"Hohner had a monopoly." Founded in 1857 by Matthias Hohner, a clockmaker, the company's experience reflects both the glories of German industrial history and the fickle forces of today's global economy, in which attributes such as legendary craftsmanship and near-universal brand recognition no longer suffice to compete against products

See BLOW, Page 16

Haze Darkens Mood in Southeast Asia

Smoke from vast forest fires in Indonesia, mingling with urban pollution, has spread into Malaysia, the Philippines, Singapore, Thailand, Brunei and Papua New Guinea.

The calamity coincides with the worst economic crisis to hit the region in many years, darkening people's spirits even as it shortens their daylight hours. Page 4.

AGENDA

An Algerian Party Charges Vote Fraud

ALGIERS (AFP) — The National Liberation Front, a member of Algeria's ruling coalition, rejected a claim Sunday by its government allies that last week's local elections were fair.

The front's leader, Boualem Benhamouda, said his party had been robbed of victory in Thursday's vote by large-scale fraud. He called for legal action against "those responsible who are hiding behind this serious political plot against Algeria."

PAGE TWO A Shaken Italy Holds Its Breath

THE AMERICAS Page 3.
Black Women March in Philadelphia

Books Page 7.
Crossword Page 7.

Opinion Page 6.
Sports Pages 18-20.

The Internet Page 10.
The IHT on-line www.iht.com



IN THE PITTS — Michael Schumacher after losing to Jacques Villeneuve for the world drivers' title Sunday in Spain. Page 20.

Digging Out Giotto / Quake Damage Control in Assisi

Italy Scrambles to Safeguard Treasures

By Celestine Bohlen
New York Times Service

ASSISI, Italy — It has been a month since a devastating earthquake struck central Italy on Sept. 26, killing four people inside the St. Francis basilica here and reducing large swatches of its magnificent ceiling frescoes to rubble.

And still the tremors come — more than a hundred now — striking fear in the hearts of the architects, experts and engineers charged with the rescue of this region's artistic treasures.

With every new jolt, Italy holds its breath, fearing more trauma for the thousands already homeless, and more reports of cracked frescoes, or stricken bell towers, like the tower in the Umbrian town of Foligno that lost its turret early this month.

"After every shake, we wait for the latest war bulletin," said Costantino Conconi, the superintendent of art for Umbria. "We live day by day because we never know what's coming. The seismologists don't have comforting news; they say it could last months but they don't know either. We just visit one damaged site after the other in continuous apprehension."

And with each new tremor, popular attention is drawn back to Assisi — birthplace of St. Francis, Italy's patron saint, and crucible of the Italian Renaissance.

Within days of the initial quake, dozens of dedicated restorers, many of them volunteers, flocked here to start piecing together bits of fallen frescoes, some of the most famous in the world, to mend the broken faces of saints painted by 13th-century masters like Cimabue and Giotto.

For it is here that the most delicate of rescue and restoration efforts has been mounted — a 20th-century effort with cranes and support beams and plastic foam to hold together the majestic, but battered basilica of St. Francis, and those treasures inside that have survived but need protection from future shocks. Even the mattresses placed on the floor betray lingering fears for the frescoes above.

For those in Assisi, the night of Oct. 7 was one of the worst, when yet another earthquake ripped through the rocky ground beneath the basilica, sending more chunks of masonry crashing to the ground.

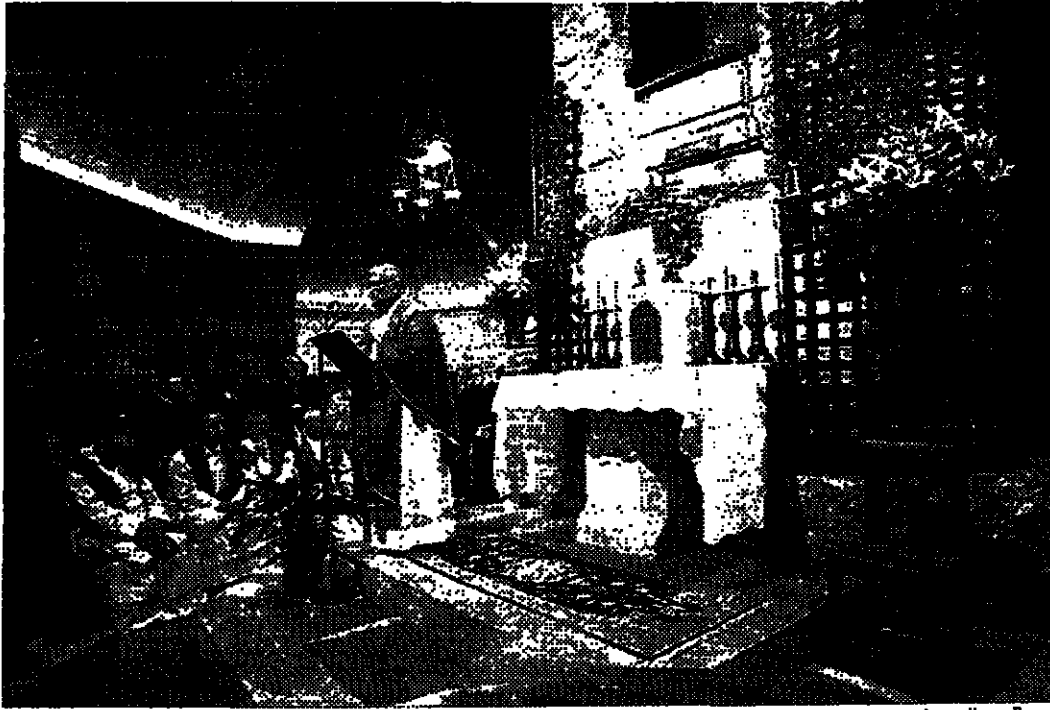
The jolt — measuring 4.9 on the Richter scale — widened and deepened the hole at the triangular apex, or tympanum, of the facade of the basilica's left transept, even as the rescue teams were planning their latest efforts to shore up what remained in place.

"Before Oct. 7, the situation of the tympanum was dangerous," said Giorgio Croci, an Italian engineer who has performed expert surgery on endangered monuments from Rome to Samarkand. "Then it became tragic."

Galvanized by the spreading wound on the left transept's tympanum, the rescue team met late into the night of Oct. 8. By the next morning, they had the plan for an elaborate and tricky operation that, almost miraculously, would be executed one week later, several hours before the next big quake struck at 5:25 P.M. on Oct. 14.

The key to the mission was a triangular structure of metal rods and joints, a giant erector set that was to be fixed to the wall of the transept's facade, shoring up the tympanum.

Constructing the triangle was the easy part. The



The Reverend Giulio Berrettoni celebrating Mass on Sunday in the crypt of St. Francis Basilica in Assisi, in front of the tomb of the patron saint of Italy.

hard part was getting it up off the ground and onto a 120-foot-high (37-meter) basilica that is surrounded on its southern flank by a series of cloisters and courtyards that would block access for a crane.

The team considered using helicopters that could have lowered the 4.7-ton structure into place. But that option was rejected, for fear that the swaying metal structure, or the vibrations of the rotor blades, would cause further damage. Instead, the team used a double-crane approach — a big one parked outside the basilica complex would lift a smaller crane over an elegant arcade and deposit it in an inner courtyard.

THE MACHINERY was in place by Oct. 13, but on that day Assisi was buffeted by driving rains. Mr. Croci, on the roof of the basilica, could feel soggy bits of eroding mortar blowing in his face. Fearing for the safety of the crew, he reluctantly postponed the operation until the next day, and even then the crew fought strong winds as they slipped the metal structure onto brackets on the roof.

"Had we waited only a few more hours, it is likely that the 5:25 earthquake would have destroyed the tympanum, which would probably have fallen into the chapel below, damaging precious works of art," Mr. Croci said.

Saving a six-centuries-old church, perched atop a rocky hillside in an area traumatized by recurring earthquakes, is a precarious business. With the metal structure now snuggled in place, and the gaping hole in the facade now filled with polyurethane foam, the tympanum is now out of danger.

Still, damage control is only now beginning on

the basilica's famous vaulted ceiling, a glorious panoply of painted frescoes that run the length of the 228-foot-long nave, with works by Cimabue and Giotto and members of their schools.

The earthquake on Sept. 26 caused the collapse of two 360-square-foot ceiling sections — one a fresco of St. Jerome, together with parts of an arching band of portraits of other saints, attributed to the young Giotto or his school. The other was a fresco of St. Matthew by Cimabue, together with a section of decorative stucco.

The rescue team has built a narrow wooden passageway that will run the length of the nave, above the vaulted ceiling, and from it crews have been crawling the length of the basilica to carry out an inspection of the damage.

Once the inspection is complete, salvage and restoration can begin.

That work is expected to be finished in five months, but the most optimistic predictions for reopening the upper basilica is for the year 2000. Millions of visitors will celebrate Christianity's third millennium that year in Rome and other pilgrimage sites such as Assisi.

Mr. Conconi said that the lower basilica, which houses the tomb of St. Francis and some of the finest art works in Assisi, could reopen within weeks.

■ **Mass Celebrated in Assisi Basilica Again**

Worshippers returned to the Basilica of St. Francis of Assisi on Sunday exactly a month after it was devastated by an earthquake, attending Mass in the chapel holding St. Francis's body, The Associated Press reported from Assisi.

Several hundred people packed the crypt in the lower basilica for Sunday's service.

Isolated and Ostracized, Libya Turns to Tourism

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Take a country that has languished under a quixotic colonel for about three decades, building up a reputation for terrorism along the way. Put this fair land under international sanctions, spiked by even tougher restrictions imposed by the United States, which has proved capable of enforcing them with bombs. No planes from the outside world can land there legally. Internal flights, with aircraft patched together in the absence of new spare parts, are risky. Isolation has faded the grand old hotels.

What does this country, Colonel Moammar Gadhafi's Libya, decide to invest in? Tourism.

International travel is a multibillion-dollar business, with nearly 600 million people taking pleasure trips every year, more than double the number in 1980.

For Libya, tourism offers a lot, at least on paper. A third or more of international travelers visit the Mediterranean area, so why not add on the attractions of Libya? It has mirage-like, mud-walled desert cities, spectacular seaside Roman ruins and (having been an Italian colony) spaghetti.

Furthermore, tourists often pay in hard currency, or can be required to. Above all, luring at least some of them to Libya could help the government soften its pariah image, or so Libyans seem to hope. That was what they had in mind last week when Nelson Mandela of South Africa visited, clearly upsetting Washington.

But "don't hold your breath waiting for Americans" is the advice to Libya from James Rubin, the State Department spokesman. Ordinary Americans are barred from travel there. The United States, Britain and France accuse Libya of blowing up passenger planes — the destruction in 1988 of Pan Am Flight 103 over Scotland, killing 270 people, and the explosion that destroyed a French airliner over Niger the following year, with 171 deaths.

Libya has refused to extradite suspects sought by the West, though it has contacted relatives of Pan Am victims in an effort to reach a settlement.

Yet, even if the standoff persists for a very long time, there are no international sanctions that prohibit Libya from developing its tourist industry.

With the help of the World Tourism Organization, a branch of the United Nations Development Program based in Madrid, Libya has just budgeted \$895,520 for a professional survey of its potential by a London consulting firm, Rendel, Palmer & Tritton, one of more than half a dozen European bidders for the contract.

Nobody thinks this will be an easy project, least of all Jim Fletcher, who is in charge of developing Libya's tourism plan for the London consulting company. Not only is Libya an outcast, but it is also next door to Algeria, home of the world's most violent civil strife lately, where scores of innocents are slain regularly.

Tunisia, wedged between them on the Mediterranean coast of North Africa, has already found its efforts to expand tourism hampered by Algeria's problems.

A Muslim nation where alcohol is forbidden and modesty encouraged, Libya does not exactly have beach burns in mind, which is probably just as well,

since its beaches are portrayed as exceedingly hostile territory in the movie "GI Jane" with Demi Moore. Instead, Libya is going for what tourism types call the high end.

"We're not looking at mass tourism here," Mr. Fletcher said. "We're not looking at building mass resorts along the coast. We're talking about a Muslim country. Not a fundamentalist country by any stretch. But it has been closed to tourism since Gadhafi took over nearly 30 years ago. It is a big step to come into the 21st century."

The Libyans, not unlike the Bhutaneses in their Himalayan isolation, are acting on the hunch that older, richer, more culturally sensitive travelers are the ticket to bigger earnings with less social disruption.

Europeans, whose governments have not imposed the same travel restrictions that Americans face, are already signing up.

Mandela Is Going Back to Libya, His Goal Unclear

Compiled by Our Staff From Dispatches

ST ANDREWS, Scotland — President Nelson Mandela of South Africa will shortly visit Libya again, but has no plans to make any major announcement on ending the deadlock over the Lockerbie bombing, his spokesman said Sunday.

The spokesman, Tony Trew, dismissed as "unreliable" a report from Cairo quoting an Egyptian official as saying that Mr. Mandela, who discussed Lockerbie with Prime Minister Tony Blair on Sunday, would be making such an announcement in Libya.

"On his way back to South Africa, he will have a brief meeting in Libya," the spokesman told Reuters by telephone. "I'm not aware of any important announcements that will be made."

Mr. Mandela is in Scotland for a Commonwealth summit, which ends Monday. He has been trying to help mediate an end to the four-year standoff between Libya on the one hand, and the United States and Britain on the other, over the December 1988 bombing of a Pan Am airliner over the Scottish town of Lockerbie in which 270 people died.

Mr. Mandela stopped off in Libya on the way to the Commonwealth meeting for talks with Colonel Moammar Gadhafi, who is resisting British and U.S. demands that two Libyans suspects in the bombing be handed over for trial in Scotland.

"The idea of a second meeting arose out of the first visit," Mr. Trew said. "The president has not discussed what it will be about."

Mr. Mandela supports the stance of the Organization of African Unity and the Arab League, which both say the suspects should be handed over to a neutral country for trial.

On Sunday, he urged his Commonwealth colleagues to beef up moves designed to bring Nigeria back into the democratic fold. Sources said Sunday that delegates had endorsed in principle a ministerial report condemning the West African nation.

(Reuters, AFP)

TRAVEL UPDATE

Italian Airports Join Schengen

ROME (Reuters) — Italy began its first day as a full member of Europe's open-border Schengen accord Sunday, with passengers at international airports being told that passports were no longer needed for air travel between Italy and France, Belgium, the Netherlands, Luxembourg, Spain, Portugal and Germany.

Land travel will still be subject to passport checks and police border controls until April.

Georgia did not put back the clocks Sunday, but decided to keep daylight saving time through the winter to conserve energy.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and dependencies this week because of national and religious holidays:

MONDAY: Ireland, New Zealand, Turkmenistan, Zaire.
TUESDAY: Cyprus, Czech Republic, Greece, Israel.
WEDNESDAY: India, Turkey.

THURSDAY: India, Malaysia, Mauritius, Singapore, Sri Lanka.

FRIDAY: Germany, Guatemala, India, Singapore, Slovenia, Taiwan.

SATURDAY: Algeria, Andorra, Belgium, Benin, Bolivia, Brazil, Burkina Faso, Burundi, Cape Verde Islands, Congo, Croatia, France, French Guiana, Gabon, Germany, Guatemala, Haiti, Italy, Ivory Coast, Lebanon, Liechtenstein, Lithuania, Luxembourg, Madagascar, Mauritius, Monaco, Peru, Philippines, Poland, Portugal, Rwanda, San Marino, Spain, Seychelles, Slovakia, Slovenia, Spain, Sweden, Switzerland, Togo, Vatican City, Venezuela, Virgin Islands.

Sources: J.P. Morgan, Reuters, Bloomberg.

Heritage of yesterday...today.



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Blizzard Hits U.S. Western Plains

DENVER (AP) — The season's first blizzard shut down much of the Western Plains on Sunday.

Officials barred nonemergency travel on 300 miles (500 kilometers) of roads from Wyoming to New Mexico. Roads also were closed in Nebraska, Wyoming, Kansas and New Mexico.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe

Country	Today	Low	High	Tomorrow	Low	High
Algeria	20/17	15/10	20/17	18/15	15/10	20/17
Andorra	18/15	15/10	18/15	18/15	15/10	18/15
Austria	18/15	15/10	18/15	18/15	15/10	18/15
Belgium	18/15	15/10	18/15	18/15	15/10	18/15
Bulgaria	18/15	15/10	18/15	18/15	15/10	18/15
Croatia	18/15	15/10	18/15	18/15	15/10	18/15
Czech Rep.	18/15	15/10	18/15	18/15	15/10	18/15
Denmark	18/15	15/10	18/15	18/15	15/10	18/15
Finland	18/15	15/10	18/15	18/15	15/10	18/15
France	18/15	15/10	18/15	18/15	15/10	18/15
Germany	18/15	15/10	18/15	18/15	15/10	18/15
Greece	18/15	15/10	18/15	18/15	15/10	18/15
Hungary	18/15	15/10	18/15	18/15	15/10	18/15
Ireland	18/15	15/10	18/15	18/15	15/10	18/15
Italy	18/15	15/10	18/15	18/15	15/10	18/15
Japan	18/15	15/10	18/15	18/15	15/10	18/15
Korea	18/15	15/10	18/15	18/15	15/10	18/15
Latvia	18/15	15/10	18/15	18/15	15/10	18/15
Lithuania	18/15	15/10	18/15	18/15	15/10	18/15
Luxembourg	18/15	15/10	18/15	18/15	15/10	18/15
Malta	18/15	15/10	18/15	18/15	15/10	18/15
Netherlands	18/15	15/10	18/15	18/15	15/10	18/15
Norway	18/15	15/10	18/15	18/15	15/10	18/15
Poland	18/15	15/10	18/15	18/15	15/10	18/15
Portugal	18/15	15/10	18/15	18/15	15/10	18/15
Romania	18/15	15/10	18/15	18/15	15/10	18/15
Russia	18/15	15/10	18/15	18/15	15/10	18/15
Slovakia	18/15	15/10	18/15	18/15	15/10	18/15
Slovenia	18/15	15/10	18/15	18/15	15/10	18/15
Spain	18/15	15/10	18/15	18/15	15/10	18/15
Sweden	18/15	15/10	18/15	18/15	15/10	18/15
Switzerland	18/15	15/10	18/15	18/15	15/10	18/15
Taiwan	18/15	15/10	18/15	18/15	15/10	18/15
Turkey	18/15	15/10	18/15	18/15	15/10	18/15
Ukraine	18/15	15/10	18/15	18/15	15/10	18/15
United Kingdom	18/15	15/10	18/15	18/15	15/10	18/15
USA	18/15	15/10	18/15	18/15	15/10	18/15

North America

Country	Today	Low	High	Tomorrow	Low	High
Alaska	18/15	15/10	18/15	18/15	15/10	18/15
Canada	18/15	15/10	18/15	18/15	15/10	18/15
USA	18/15	15/10	18/15	18/15	15/10	18/15
Argentina	18/15	15/10	18/15	18/15	15/10	18/15
Brazil	18/15	15/10	18/15	18/15	15/10	18/15
Chile	18/15	15/10	18/15	18/15	15/10	18/15
Colombia	18/15	15/10	18/15	18/15	15/10	18/15
Costa Rica	18/15	15/10	18/15	18/15	15/10	18/15
Cuba	18/15	15/10	18/15	18/15	15/10	18/15
Dominican Rep.	18/15	15/10	18/15	18/15	15/10	18/15
Ecuador	18/15	15/10	18/15	18/15	15/10	18/15
El Salvador	18/15	15/10	18/15	18/15	15/10	18/15
Guatemala	18/15	15/10	18/15	18/15	15/10	18/15
Honduras	18/15	15/10	18/15	18/15	15/10	18/15
Kenya	18/15	15/10	18/15	18/15	15/10	18/15
Malawi	18/15	15/10	18/15	18/15	15/10	18/15
Mali	18/15	15/10	18/15	18/15	15/10	18/15
Morocco	18/15	15/10	18/15	18/15	15/10	18/15
Niger	18/15	15/10	18/15	18/15	15/10	18/15
Nigeria	18/15	15/10	18/15	18/15	15/10	18/15
Senegal	18/15	15/10	18/15	18/15	15/10	18/15
Sierra Leone	18/15	15/10	18/15	18/15	15/10	18/15
South Africa	18/15	15/10	18/15	18/15	15/10	18/15
South Korea	18/15	15/10	18/15	18/15	15/10	18/15
Tanzania	18/15	15/10	18/15	18/15	15/10	18/15
Thailand	18/15	15/10	18/15	18/15	15/10	18/15
Togo	18/15	15/10	18/15	18/15	15/10	18/15
Tunisia	18/15	15/10	18/15	18/15	15/10	18/15
Zambia	18/15	15/10	18/15	18/15	15/10	18/15
Zimbabwe	18/15	15/10	18/15	18/15	15/10	18/15

Legend: S=sunny, p=partly cloudy, c=cloudy, sh=showers, th=thunderstorms, r=rain, s=snow, bl=snow, H=high, W=weather.

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Asia

in 68 countries.

THE AMERICAS

Black Women Get Their Turn At March in Philadelphia

By Michael A. Fletcher and DeNeen L. Brown
Washington Post Service

PHILADELPHIA — Hoping to ignite a renewed sense of unity among women of African descent, hundreds of thousands of black women rallied here over the weekend for the Million Woman March, an assembly that at once resembled a family gathering, an intense call to duty and a huge open-air bazaar.

All along the mile-long march site, flowing from the steps of the Museum of Art, marchers ignored the raw, damp weather Saturday to pose for pictures with families, hug old friends and pore over the array of items being hawked by the scores of vendors who lined the way.

At the same time on the main stage, singers and poets performed and a long line of speakers admonished black women to ignore their differences and unite as one.

"From this moment, sister, no longer will you walk by your sister and not acknowledge her existence," said Asia Coney, one of the two Philadelphia activists who called for the march.

The bulk of the marchers seemed disconnected from the intonations of the eclectic series of speakers, in part because the speakers' platform was barely visible from many parts of the assembly. Also, a faulty, low-tech sound system made it difficult for participants to follow events.

But those problems seemed secondary to many of the women who gathered, often with the hope that they would be a party to history.

"You can tell this was important for a lot of women because they came without knowing a whole lot about it," said Johnnie Gettings of Chicago. "I came because I wanted to tune into this. It was a sisterhood thing."

Women flooded into Philadelphia on airplanes, trains, buses, cars and vans, filling hotels and doubling up at the homes of friends for an event that many hoped would rival the Million Man March, which drew as many as 800,000 black men to Washington in 1995. That



Winnie Madikizela-Mandela responding to the crowd after her speech.

march two years ago is credited by some with sparking a new sense of responsibility and collective purpose in many African-American communities.

"I love it," said a smiling Sheryl Bundle, as she looked over the crowd along Benjamin Franklin Parkway. "I'm so excited to see so many positive sisters. Everybody's excited. Everybody is friendly."

Other women, however, said they were disappointed with an atmosphere that, in places, more resembled an ordinary street festival than the solemn spiritual awakening that was intended. "I actually felt some animosity out here," said Veatrice Blue, 19, who drove from Elizabeth, New Jersey, with two friends. "You can sense it from some of the women. It is a look that they give you."

While the event was called for black women, thousands of black men turned out for the march, often escorting their wives, daughters or girlfriends. Men from the Nation of Islam provided security for the speakers.

The Million Woman March was the

idea of Ms. Coney and Phile Chionese, grass-roots activists from Philadelphia. Ms. Coney and Ms. Chionese put together an event that spoke first to the needs of women locked in poor neighborhoods, where they watch too many of their men, children and neighbors fall victim to drugs, crime or prison.

The organizers largely excluded mainstream groups, including sororities that are significant networking groups for black women and many established civil rights groups.

As was the case with the Million Man March, the exact turnout for the Million Woman March is likely to be the subject of debate. City officials pegged the gathering at anywhere from 300,000 to 500,000 people, while speaker after speaker told the crowd that they numbered well over the organizers' goal of 1 million.

One of the speakers at the rally, Winnie Madikizela-Mandela, former wife of President Nelson Mandela of South Africa, said, "We are countless in unity."

Report Urges Pentagon's Removal From Inquiry Into Gulf Illnesses

WASHINGTON — After a 20-month investigation, the panel that has led the chief congressional inquiry into the illnesses of Gulf War veterans will ask that the Defense Department and the Department of Veterans Affairs be stripped of their authority over the issue.

In its final report, the House Committee on Government Reform and Oversight said the congressional investigation showed that "a variety of toxic agents in the Gulf War," including Iraqi chemical weapons and pesticides, were probably responsible for the health problems reported by thousands of veterans.

The report, which is expected to be made public this week, says that the Pentagon and the Department of Veterans Affairs have so mishandled the investigation of the veterans' health problems that Congress should create or designate an agency independent of them to coordinate research into the cause of the ailments.

"Sadly, when it comes to diagnosis, treatment and research for Gulf War veterans, we find the federal government too often has a tin ear, a cold heart and a closed mind," said Representative Christopher Shays, Republican of Connecticut, who has overseen the House investigation.

A copy of the report, which is expected to have bipartisan support and to be approved by the committee in a vote this week, was obtained by The New York Times.

The report will be released only days ahead of a separate

study by a White House panel of experts that will be nearly as harsh in its criticism of the Defense Department. (NYT)

Senate Speed-Up on Nominations

WASHINGTON — After being pummeled for weeks by the White House over their pace in approving nominations, Senate Republicans have started moving quickly to confirm a backlog of subcabinet-level officers, ambassadors and judges. The Senate's Republican majority leader, Trent Lott, insisted last week that there had been no slowdown, and he promised a rapid-fire series of votes on administration nominees in the next few weeks.

At the same time, the Senate Judiciary Committee has scheduled hearings to deal with as many as a dozen nominees for judgeships. The White House recently mounted a campaign to demonstrate that the Republicans' reluctance to approve judges had resulted in backlogs in courthouses across the nation, affecting the quality of justice. (NYT)

Quote/Unquote

Senator Joseph Biden Jr., Democrat of Delaware, telling an audience he was still puzzling over the nomination of Governor Bill Weld of Massachusetts as ambassador of Mexico, which was torpedoed by another Republican, Senator Jesse Helms of North Carolina: "It was one of the most fascinating fights I've ever been engaged in. No one wanted him to be the ambassador, including him." (WP)

AMERICAN TOPICS

Nicotine's Cheering Squad

They can talk in Washington all they like about deals between cigarette makers and the states, or new federal legislation to curb tobacco marketing and sales, or the local laws that force smokers to huddle furtively on the street outside their office buildings. But in parts of the Southeast, tobacco growing is still big business. In fact, at schools like David Crockett High School in Jonesboro, Tennessee, learning about tobacco — not avoiding it, but growing it — is part of the daily class load for many students.

Many families in northeastern Tennessee, where Crockett High is located, grow tobacco to supplement their income. Tobacco brought the state \$225 million last year.

Mike Garland, a Crockett teacher, says that half his students will be farmers. They know that their state has some of the best tobacco-growing conditions anywhere — and that an acre's worth of burley tobacco can fetch \$4,000, more than 10 times what a farmer can get from corn.

Even the one-time federal subsidies being considered to entice tobacco farmers to change crops are unlikely to work, many Tennesseans say. The reason is simple, said Brandon Henley, a Crockett sophomore who hates cigarette smoke but plans to grow tobacco: "There's too many people who smoke and chew."

Short Takes

The house in Litchfield, Connecticut, where the author Harriet Beecher Stowe was born has been purchased for a symbolic \$1, to be moved and reopened as a museum. Her 1850 book, "Uncle Tom's Cabin, or Life Among the Lowly," was a stirring anti-slavery tract that sold an astonishing 300,000 copies, mobilizing opinion in the North against slavery while angering the South. President Abraham Lincoln considered it a prime factor in bringing on the Civil War, the nation's bloodiest conflict. The Stowe house, now in disrepair, will be opened at an undisclosed site after a renovation expected to cost \$1.5 million.

At a time when federal immigration law has made even many legal immigrants feel unwanted, a look to the town of Kohler, Wisconsin, is edifying. Walter Kohler Sr., who owned a bathroom fixture

manufacturing company, believed his immigrant workers deserved "not only wages, but roses." In 1918, he built a huge Tudor-style dormitory, the American Club, to provide them with clean, comfortable housing. Historic Traveler magazine reports.

Mr. Kohler hoped the pleasant living environment would encourage foreign-born employees to become American citizens. The 203 bedrooms were outfitted with the best of everything — especially bathroom fixtures. There was a bowling alley, a baseball league, a band and English classes. One day each spring, Mr. Kohler gave employees full pay and transportation to the county court house to take the citizenship oath. By 1930, 700 had become citizens. By the 1940s, however, the club had outlived its purpose. The company no longer needed to import workers, and there were other housing options. The club is now a luxury hotel.

Another tiny patch of America without television service has been discovered and promptly invaded. Several gas stations in the Seattle area have installed gas pumps equipped with small video screens where customers can watch the news or other programming during the seconds they spend filling their tanks.

Brian Knowlton

Moderate Republican in a Squeeze

Conservatives' Coolness Hampers New Jersey Governor's Re-election Bid

By Jennifer Preston
New York Times Service

TRENTON, New Jersey — After four years as one of the most prominent members of the Republican Party's moderate wing, Governor Christine Todd Whitman is finding that her politics are threatening to cost her some badly needed support for her re-election campaign among more conservative members of her own party.

With the election just over a week away, Whitman campaign officials said they were deeply concerned that the state's Republican base was not firmly in Mrs. Whitman's camp, particularly because they are facing a surprisingly strong challenge from the Democratic nominee, state Senator Jim McGreevey.

During Mrs. Whitman's 1993 race against Governor Jim Florio, conser-

vative Republicans rallied around her campaign, offering volunteers and money. But in interviews over the past week, leaders of various conservative groups across New Jersey said they were either actively working to defeat Mrs. Whitman or unable to generate much enthusiasm among their members for her candidacy.

Mrs. Whitman's decision to veto legislation this year that would have banned certain late-term abortions has angered groups opposed to abortion rights; her decision to borrow \$2.75 billion for the state pension system has troubled fiscal conservatives, even though she has cut taxes, and leaders of groups opposed to gun control say that while they are not opposed to her candidacy, they are finding it difficult to drum up support for her re-election.

In her first term, Mrs. Whitman not only opposed the abortion ban but also did not act to weaken gun-control laws, nor did she push for school vouchers as an alternative to the public-school system.

Although her moderate Republican positions reflect what pollsters describe as the views of most New Jersey voters, the difficulties she has faced in her campaign could signal difficulties for other moderate Republicans around the country, some strategists say.

"In 1993, she became a symbol of what the Republican Party should be," said Ralph Reed, the former executive director of the Christian Coalition who is now a Republican consultant in Atlanta. "Now, she is becoming a model of how not to be a winning Republican, primarily because she has not reached out to build bridges to the social conservatives."

Away From Politics

• The U.S. Air Force will issue a report this week that concludes, largely by process of elimination, that the pilot who flew his A-10 Thunderbolt 800 miles off course on April 2 and crashed into a mountain in Colorado had made a sudden decision to commit suicide, a senior officer said. (NYT)

• A jaguar escaped from a cage and killed a rare snow leopard in another pen before officials at the Louisiana Purchase Gardens and Zoo were able to recapture it. (AP)

• A New York City police officer has been convicted of shooting a man to death in a dispute over a delicatessen parking space in a nearby suburb. The officer, Richard D. DiGiuseppe, 32, an 11-year police veteran, faces 25 years to life in prison for second-degree murder, based on depraved indifference to human life. His lawyer said he would appeal the conviction. (NYT)

• A 12-year drive by Prince George's County, Maryland, to pump almost \$100 million worth of extra staffing and resources into a group of nearly all-black schools has failed to lift their combined academic standing from well below the county's average, an analysis of test scores showed. Nationally, other schools systems have failed to turn around their troubled schools with similar spending plans. (WP)

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EUROPE

EU Fails to Reach Agreement on Welcoming New Members

By Barry James
International Herald Tribune

MONDORF-LES-BAINS, Luxembourg — Governments agree that the European Union must take in the former Communist nations of Eastern and Central Europe, but foreign ministers meeting here over the weekend could not find a way to handle that potentially turbulent and costly process.

They have only a few weeks to fashion guidelines for heads of state and government, who will meet in Luxembourg in mid-December to decide which countries to invite into the 15-nation union, and on what basis.

Eleven countries are waiting for an invitation. The European Commission, the EU's executive, says that on objective economic and political grounds only six — the Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus — have a chance of qualifying for membership within the next four or five years.

But some governments are arguing that to admit some, while excluding Bulgaria, Latvia, Lithuania, Rumania and Slovakia would be to cast dangerous new economic and political divisions across the face of Europe.

Looming over the whole process is the question of what to do about Turkey.

For the past quarter of a century, Turkey has been trying to get into the European trade bloc, and has achieved a comprehensive association agreement with it.

Last month, Prime Minister Mesut Yilmaz of Turkey started a concerted campaign in European capitals to drum up support for his country to be accepted as a EU candidate.

But many European governments have never, for complex historical and geographical reasons, considered Turkey, which is mostly in Asia, to be part of Europe.

Turkey's bleak human-rights record, its war against the Kurds and its oc-

cupation of northern Cyprus in defiance of United Nations resolutions are also among the reasons why Turkey still may have a long way to go before being accepted as a candidate for EU membership.

The European Commission says it would like to negotiate entry for the whole of Cyprus, but will proceed with negotiations with the Greek Cypriot government if it does not get cooperation from the Turks. Officials said to delay negotiations on Cyprus because of pressure from Turkey could be seen as tacit acceptance of the illegal occupation.

Jacques Poos, the foreign minister of Luxembourg, who chaired the meeting here, said that the EU will send three missions to Turkey in November to discuss these issues.

The EU, meanwhile, remains divided on whether to invite Turkey to a standing conference of candidate nations that will be set up next year.

The Italian foreign minister, Lamberto Dini, said Greece was adamantly

opposed to allowing Turkey into the European Union, and the German foreign minister, Klaus Kinkel, said his government would oppose Turkish membership until the country solved its human-rights problems.

All 11 potential members will be invited to the standing conference, and all of them will share in 70 billion European currency units (\$63 billion) of aid that the EU will make available for the candidate nations between 2000 and 2006.

But Mr. Poos said that the European Union would deal individually with each nation, meaning that those that most quickly adapt their economic, political and legal systems to EU standards will be the first to enter.

Without giving details, Mr. Poos said ministers will explore possible "intermediate ways" between the European Commission's recommendation that accession negotiations be opened with only six countries, and the view of Denmark, Sweden and Greece that the negotiations should simultaneously be

opened with all candidates to avoid creating divisions.

Proponents of the latter approach, however, say they recognize that they have a problem with Slovakia, where the government is seen as demagogic and undemocratic.

The view that negotiations should simultaneously begin with all the candidates is not universally shared in Eastern and Central Europe. The Hungarian prime minister, Gyula Horn, has argued that this would be unfair to those countries that have made the greatest efforts to bring their economies and political systems up to EU standards, while removing incentives for the laggards to carry out the necessary reforms.

Prime Minister Janez Drnovsek of Slovenia said he could understand the frustration of countries excluded from the first round of negotiations, but added that he would have a hard time explaining to his people why they should wait for membership until the rest catch up.

BRIEFLY

Truckers in France Threaten to Strike

BAYONNE, France — Truckers in southwest France handed out leaflets ahead of a planned nationwide strike beginning next Monday as talks with management bogged down one year after a crippling walkout.

Talks are to resume in Paris on Tuesday between unions, trucking companies and the Transport Ministry on fulfilling an agreement that ended last year's strike. Unions threaten a walkout unless the meeting is successful.

"Everything's ready for the roadblocks," said Roger Poletti, secretary general of the Workers' Force-Transport union, among the country's leading unions demanding immediate 5-to-7-percent raises for the truckers. (AP)

Poll Says Jospin Is Not So Popular

PARIS — Voter discontent with Prime Minister Lionel Jospin is rising, and the Socialist is almost neck-and-neck with President Jacques Chirac, a poll showed Sunday.

Mr. Jospin is still more popular than Mr. Chirac, with 49 percent support compared with 45 percent for the president who called the snap parliamentary election in June that the left unexpectedly won, according to the IFOP poll for the Journal du Dimanche newspaper. But the level of discontent with Mr. Jospin has risen sharply, from 31 percent in September to 40 percent in October. Mr. Chirac fared slightly better, with voter dissatisfaction rising from 36 to 41 percent. (Reuters)

Kohl Defends Picking Schaeuble

MAGDEBURG, Germany — Chancellor Helmut Kohl on Sunday defended his decision to nominate Wolfgang Schaeuble, the parliamentary leader of the governing Christian Democratic Union, as his designated successor.

Speaking to a rally of the youth wing of the Christian Democrats, Mr. Kohl said he understood the criticism from within the three-party coalition for publicly stating for the first time that he wanted Mr. Schaeuble to succeed him as chancellor. Mr. Kohl, 67, said: "But I still consider it to be the right thing. Schaeuble is a man who truly deserves to be chancellor." (Reuters)

Ulster Enjoys the Calm

Peace Talks Bring Cautious Optimism

By James F. Clarity
New York Times Service

BELFAST — After 28 years of sectarian violence in Northern Ireland, peace is quietly settling across this British province.

The violence — between Roman Catholic republicans who want an end to British rule and Protestant unionists who want Northern Ireland to remain part of Britain — stopped three months ago, when the Irish Republican Army renewed a cease-fire. More than 3,200 people have been killed in the conflict in Northern Ireland since 1969.

The July 20 cease-fire cleared the way for the IRA's political wing, Sinn Fein, to enter formal peace talks here with most of the other political parties and the British and Irish governments. To the cautious relief of officials and residents, Protestant and Catholic political leaders are now in their second week of discussing the contentious issues that have divided their communities.

"The war is over," said Mari Fitzduff, director of the Initiative on Conflict Resolution and Ethnicity, a privately funded peace group.

"It's just the compromises that are going to take some time." The anger that stimulated the war in the first place is significantly diminished, she added, referring to the grievances of Northern Ireland's Catholic minority against Protestant local officials and the British government. "Most of the inequalities have been dealt with, and Catholic children feel they can gain a place in the sun."

People are taking heart from the fact that Sinn Fein and the Ulster Unionist Party, the largest political organization in the province, are sitting at the same negotiating table. But there are many extremely difficult issues on the table, and a new outbreak of violence could cause the talks to collapse. So people in Northern Ireland have their fingers crossed in hope, and are waiting to see if permanent peace is really coming.

The streets of Belfast are now officially considered safe enough, physically and politically, for a visit scheduled for Oct. 31 by Hillary Rodham Clinton.

The chairman of the talks, George Mitchell, a former U.S. senator who has been involved in the peace effort for two and a half years, said that for the first time in Northern Ireland's history, "there are now serious, responsible, regular, daily talks." He added, "That's the stuff of negotiations. I've been very much encouraged."

Liz O'Donnell, the Irish deputy foreign minister, said: "It's quite exciting. Things are going at a steady pace everybody is anxious to sustain."

Not all Northern Irish are so sanguine. The leader of the Protestant Church of Ireland, Archbishop Robin Eames, said in a speech Tuesday:

"Hope is a fragile emotion. Acceptance or rejection of change will depend on the attitude of confidence or a lack of confidence of people at the grass roots. If that attitude is to be one of never-ending suspicion and mistrust, nothing will be gained."

David McKittrick, author of several books on Northern Ireland, said: "There's an awful lot of hatred out there. The talks are not driven by reconciliation and holding of hands, but by the fact that people don't like each other."

He also pointed out that plausible recent reports have said that some officials of the IRA — which has not permanently renounced violence — are unhappy with the pace of the negotiations.

The most difficult issue, the disarmament of the IRA and Protestant paramilitary groups, has been laid aside for now. The subjects under discussion include a perennial demand of Sinn Fein and the IRA: a united Ireland, free of British control, run from Dublin, the capital of the overwhelmingly Catholic Irish Republic. That concept is an abomination to Protestant unionist leaders.

The Irish and British governments have both stated that there will be no change in the political status of Northern Ireland without the consent of the majority, which will probably remain Protestant well into the new century. More likely would be agreement on the creation of cross-border commissions, made up of officials from Northern Ireland and the Irish Republic, that might administer such matters as fisheries or tourism.

But achieving this would still be a



FLOCKING TO THE CAPITAL — Thousands of sheep passing through the streets of Madrid on Sunday as part of a demonstration by Spanish shepherds in support of the right to use ancient transhumance routes.

challenge, as Protestants have said they will fight any institutions that seem to erode British sovereignty.

A related issue is the Irish Republic's constitutional claim of sovereignty over the North, which was broken off from what is now the Irish Republic 75 years ago. Last week Foreign Minister David Andrews of Ireland tried to explain his government's policy on this issue: that the republic would modify its claim of sovereignty as part of an overall agreement on the North's future and would put this change to a referendum. The

Ulster Unionists temporarily walked out, disputing Ireland's seriousness in submitting this for negotiation.

"Nobody wants the final compromise to come too quickly," said Ms. Fitzduff, the peace group director, "because it's the end of the dream for both sides. It will have to be a perforated border as opposed to a united Ireland. And unionists will have to abandon dreams of unity forever with the motherland."

As for the republicans' goal of a united Ireland, she added: "Sinn Fein will sell the compromise on the basis of its being

a transitional agreement. People really are quite weary of the war."

■ Booby-Trapped Car Kills Driver

A booby-trap bomb killed the driver of a car in a Protestant area of Northern Ireland on Saturday, but officials said the attack did not appear to be part of the province's long-running Protestant-Catholic strife, Reuters reported. Sources said the bombing, on the Kilcooley housing project in the town of Bangor, might have been linked to crime or to rivalry between Protestant factions.

Its Troops Still in Iraq, Turkey Is Caught Up in Kurdish Infighting

By Kelly Conturier
Washington Post Service

ANKARA — The Turkish military, determined to crush Kurdish separatists, has deepened and prolonged its involvement in northern Iraq, in the process taking a role in the continual infighting among Iraqi Kurds.

Turkish officials dismissed news reports that the army had set up a full-time security zone inside Iraq, like the strip of southern Lebanon that Israel occupies. But Western sources said Turkish troops had maintained a presence across the border since May, with troop estimates varying between several hundred and tens of thousands during offensives.

In May, Turkey began a major offensive against rear bases of the separatist Kurdish Workers Party, a Syrian-based guerrilla organization that has waged an armed insurgency in southeastern Turkey since 1984.

Since then, Turkey has allied itself

with the Kurdistan Democratic Party, an Iraqi Kurdish group led by Massoud Barzani, which controls the border.

Together, Turkish troops and Mr. Barzani's group have worked against the Kurdish Workers Party, which for years has used bases in the Iraqi border region to stage attacks into Turkey.

Turkish and Western sources say Ankara has no plans to keep its troops permanently stationed in Iraq. Instead, Turkey plans to supply Mr. Barzani's Iraqi faction with weapons and cash to be used to repopulate villages along the border and create a village guard system that would work to keep the region clear of the Kurdish Workers Party, the sources said.

Turkish efforts over the years to keep the Kurdish Workers Party out of Kurdish-held northern Iraq have failed, with many rebels fleeing cross-border Turkish assaults and eventually filtering back into the area. But the government in Ankara appears convinced that clearing northern Iraq of Kurdish Workers

Party rebels is the key to ending the insurgency, in which more than 26,000 people have died.

As a result, Turkey has increasingly asserted its right, as a matter of national security, to operate in northern Iraq, despite harsh criticism from Syria and Iran as well as from Iraq, which has been denied authority over the Kurdish enclave by U.S.-led air patrols enforcing a "no-fly" zone.

Turkey's recent alliance with Mr. Barzani's group led a Western source to say that conditions in northern Iraq were "moving closer to the situation in southern Lebanon," where Israel has engaged a local militia in its efforts to counter attacks from anti-Israeli Hezbollah forces.

Another Turkish analyst disagreed, saying that neither Baghdad, which still wields influence in the Kurdish enclave despite the no-fly zone, nor Mr. Barzani's group would allow a southern Lebanon-type situation to emerge.

The status of Turkey's presence in the

area is difficult to discern since the military has barred journalists from the zone since May.

Ankara's hopes that its alliance with Mr. Barzani would produce a more effective effort against the Kurdish Workers Party have been complicated by the renewal of fighting on Oct. 12 between Mr. Barzani's Kurdistan Democratic Party and the rival Patriotic Union of Kurdistan led by Jalal Talabani.

The two groups have administered the Kurdish enclave in northern Iraq since the no-fly zone was set up by the allies after the 1991 Gulf War to protect the population from President Saddam Hussein of Iraq.

The two Kurdish groups have clashed intermittently since 1994, and they resumed fighting two weeks ago, breaking a U.S.-brokered yearlong ceasefire.

Now Turkey, which over the past week and a half has bombed what it says are Kurdish Workers Party positions and what Mr. Talabani says are his group's

positions, is being accused of taking sides in the Iraqi Kurdish infighting.

Turkish and Western sources say the Kurdish Workers Party is collaborating with Mr. Talabani's faction in the latest Turkish offensive, creating huge difficulties for the Ankara government, which has been working with the United States and Britain to broker a peace agreement between the rival Iraqi Kurdish groups.

After the bombing raids Thursday in northern Iraq, a spokesman for Mr. Talabani told the Reuters news agency that "essentially, the Turks have turned from a sponsor of the peace process to a party to the conflict."

The Turkish Foreign Ministry repeated that the Turkish air raids were targeting Kurdish Workers Party positions and denied that Turkey was taking sides in the Iraqi-Kurdish infighting.

Ankara, a ministry spokesman said, remains committed to promoting peace among Iraqi Kurds to bring stability and security to the region.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Working With China

President Jiang Zemin of China arrived in the United States Sunday for the first state visit by a Chinese leader since the 1989 massacre at Tiananmen Square. The long gap between high-level meetings inevitably imbues this week's events with significance. What is important is not to burden the meetings with undue expectations.

Mr. Jiang and President Bill Clinton meet at a time when there is no shortage of sources of friction between the world's lone superpower and its most rapidly emerging potential rival. China's relatively closed markets contribute to a growing U.S. trade deficit, likely to hit \$50 billion this year — second only to the U.S. deficit with Japan. China continues to arouse suspicions with its supplying of missiles, chemicals and other weapon components to what the United States reasonably enough considers rogue regimes. Its episodic bullying of Taiwan, its continuing brutalization of Tibet and its uncertain intentions toward Hong Kong all command attention. Allegations of illegal Chinese interference in U.S. domestic politics still are being investigated. Mr. Jiang's regime continues to stifle religious and political freedom. And there is a long-term question of whether the emerging Chinese superpower, led as ever by a Communist dictatorship, is gathering strength in order to challenge both America's standing in Asia and the world and the democratic values Americans associate with their world leadership.

It's quite a list. But President Clinton, after a journey of many way stations, has formulated a policy that argues for continued engagement despite these tensions. It's a policy that acknowledges the long-term risks, but also argues that China could evolve differently — as a cooperative superpower with a gradually liberalizing political system. The choice is China's. Mr. Clinton argues, but the United States should do what it can to encourage a favorable outcome. That calls for dealing frankly on issues such as trade and human rights without making any single issue a litmus test or a basis for cutting off contact. It also calls for promoting cooperation in areas where the two nations may share interests, such as promoting stability in Korea.

This is a policy of some coherence, and Mr. Clinton has enhanced its credibility in the past couple of years by firmly pursuing another aspect of it, less spoken of but equally important: the maintenance of a strong U.S. presence in Asia. By sending aircraft carriers to the Taiwan Strait when they were needed, by strengthening this year the U.S.-Japan security alliance, by firmly supporting South Korea and in other ways, the United States reassures China's neighbors in Asia — and reminds China — that the United States intends to counterbalance China's growing strength, now and in the future.

Still, the administration's zigzag course to its current policy and suspicions of its susceptibility to pressure from commercial interests will continue to provoke anxiety about its ability to maintain a steadfast policy of engagement without appeasement. The mythical lure of the Chinese market has clouded more than one policymaker's vision, and most Americans will recoil if Mr. Clinton does not accord sufficient weight to the thousands of prisoners of conscience suffering in Mr. Jiang's gulag today. Thus, if Mr. Clinton uses the occasion of the summit meeting to certify, as expected, that China now is meeting its obligations not to promote the spread of nuclear weapons and so may purchase U.S.-made nuclear reactors, his evidence will be judged cautiously. The administration is correct that China has come a long way from its days as a proud and avowed proliferator to its current status as signatory of non-proliferation and test-ban treaties. But Congress will be correct to examine the substance of China's new promises and its recent record.

For the most part, the administration rightly has avoided what national security adviser Sandy Berger calls the "trap" of big-power summitry: the pressure to sign agreements, even ill-considered ones, so the summit will be judged a success. It will be more difficult, but just as important, to avoid that trap as the two presidents make plans for a Clinton visit to China next year.

—THE WASHINGTON POST

Turkey and the Kurds

Efforts to take political advantage of political prisoners are an old story. The current case in Washington involves Leyla Zana, an internationally known advocate of self-determination, or statehood, for Kurds in Turkey. Elected to the Turkish Parliament in 1991, she was sentenced three years later to 15 years in prison for separatism and promoting the destruction of Turkey's territorial integrity. She is 36, the mother of two, articulate, courageous and culturally at home in a Western setting. A campaign to free her is on now.

There seems little doubt that Ms. Zana is a separatist. That is what her bold advocacy of Kurdish self-determination is about. Kurds, who also live in Iraq, Iran and Syria, pose a challenge to all of their hosts but nowhere so keenly as in Turkey, where a no-holds-barred war is being waged by Turkish armed forces and the avowedly separatist Kurdish Workers Party, or PKK. The Turks identify the PKK as a terrorist organization; on this point the last three American presidents have agreed with their NATO ally.

For the Turkish authorities, a seamless web connects Kurdish political advocates to military rebels to outright terrorists. In the official view, separatism and terrorism are synonyms, and Ms. Zana is, if not a terrorist, then someone who "serves the agenda of a terrorist organization." But this goes way too far. The parliamentarian and the PKK may share an agenda of Kurdish self-determination. But the one approaches it politically and the other by violence. In a democracy, which Turkey professes to be, this is a crucial difference. A democracy worthy of the name cannot simply categorize its political opponents as criminals, jail them and refuse to discuss their grievances.

The current and recent Turkish governments have put the very great problem of the Kurds in the hands of a Turkish military often insensitive to human rights. Earlier leaders, including Turgut Ozal, had hinted at a civilian solution. It is a fair question whether the rush of military events may not have diminished the possibility of political compromise between the side insisting on Turkey's unbreakable territorial integrity and the side demanding full Kurdish sovereignty. Remote as it may be, however, a middle way dealing with cultural and economic rights as well as political ones offers the only practical alternative to permanent conflict. Politicians like Leyla Zana could yet have a role.

—THE WASHINGTON POST

Privacy Code

The U.S. Centers for Disease Control and Prevention makes a good case for mandatory reporting of all cases of HIV infection. But any reporting plan must protect the privacy of infected individuals. Although every state requires that AIDS cases be reported to health authorities, only 26 states collect such data on individuals infected with HIV who have not yet developed AIDS. New York, for example, does not require HIV reporting.

New medical advances that delay the onset of symptoms and reduce death rates have so altered the epidemic that collecting data on only those in the advanced stages of the disease is now inadequate. A national reporting requirement would allow authorities to track the disease better, target prevention services to vulnerable populations and allocate medical resources more effectively.

Even so, great care must be taken to protect individual privacy. Many fear that their HIV status, if it became known, could be used against them in employment, housing and health insurance. Unless confidentiality can be guaranteed, a reporting requirement will very likely deter people from being tested and seeking medical care.

One way to avoid unauthorized disclosure of sensitive information is to use anonymous coded identifiers in reporting HIV patients instead of their names. This approach may be more costly to set up and manage, but it would ensure strict security of reported information.

—THE NEW YORK TIMES

Herald Tribune

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America Must Stay the Course of Engagement

By Owen Harries

WASHINGTON — The issue of human rights always figures prominently in American foreign policy discourse. This year, the sustained focus on China — now culminating with the visit of President Jiang Zemin — has given it a particular salience and intensity. Many, perhaps most, Americans of all political persuasions believe profoundly that it is their nation's right and duty — indeed its destiny — to promote freedom, justice and democracy in the world. As President Bill Clinton said in his speech on China Friday, "to do otherwise would run counter to everything we stand for."

It is a noble and powerful impulse, one not casually to be ridiculed or dismissed. But acting on it — if one is concerned to be effective and not merely to feel virtuous — is more complicated and difficult than many human rights activists will allow.

Typically, the proponents of human rights see things in straightforward terms. They regard those rights as absolute and demand consistency in their application, denouncing anything less as hypocrisy and cynicism. These denunciations are given some plausibility by the failure of administrations to live up to inflated official rhetoric on the subject.

But the truth is that while individuals and special-interest groups are free to give human rights absolute and unqualified priority, governments are not.

For the activist, human rights are a cause. But when they are incorporated into a government's foreign policy, they become an interest, one among many. Their claims have to be balanced against those other interests, many of which — apart from having a compelling practical importance — have moral content and moral claims of their own (for example, peace, security, order, prosperity).

The place that human rights will occupy in the hierarchy of interests will necessarily vary from occasion to occasion.

Sometimes, as when the violation of rights is horrendous and no other vital

interest is at risk, they will rank very high; sometimes they will have to give way to other compelling interests. America's wartime alliance with Stalin's Soviet Union is a striking example of such a subordination.

It would be convenient if all one's interests always pointed in the same direction, but they don't. In his celebrated essay, "Two Concepts of Liberty," Sir Isaiah Berlin makes this point in sober terms:

"If, as I believe, the ends of men are many and not all of them are in principle compatible with each other, then the possibility of conflict — and of tragedy — can never be wholly eliminated from human life, either personal or social. The necessity of choosing between absolute claims is then an inescapable characteristic of the human condition."

Not hypocrisy or cynicism, note, but "an inescapable characteristic of the human condition."

The other factor that complicates the application of human rights policy — what makes it not a simple matter of consistency but a complicated one of judgment and discrimination — is the variability and particularity of circumstance.

What makes good sense in one set of circumstances may well be futile in another — and positively disastrous in a third.

Consider some of the "circumstances" that are relevant in the current case of China.

First, the population of China is greater than the combined populations of North America, Europe and Russia. Imagine the task of governing all three of those vast territories from one center.

You may then begin to appreciate the problem that the governing of China would present even to the smartest of governments — let alone to a bunch of elderly men saddled with very bad and outdated political habits and a distorting ideology.

It will also help to keep some numbers in perspective — and while for the moralist every individual counts, in politics numbers matter.

According to human rights activists, the number of political prisoners in China currently is 3,000 — about 0.00023 percent of the total population.

Second, in this century, China has experienced the collapse of a traditional regime, warlordism, civil war, invasion, famine and mass terror. A mere quarter-century ago it was still experiencing a massive convulsion brought about by the manipulations of a megalomaniac.

A country with that abysmal record is likely to put an unusually high premi-

um on maintaining order and stability, and be willing to subordinate much to achieve those ends.

Third, for the last two decades or so China has been experiencing what is probably the fastest rate of economic growth and transformation in human history. In the late 1970s, Deng Xiaoping declared that the Chinese economy would quadruple in size by the end of the century. At the time it seemed just another extravagant Communist boast, but China has already passed that target.

The effects of this extraordinary progress are complex. On the one hand, the present must seem like a golden age for most Chinese: There is order, there is peace, there is unprecedented prosperity, and the state weighs less heavily on their backs than at any time in the last 48 years.

On the other hand, the frantic growth has also created serious strains and problems, among them pervasive corruption, environmental devastation, unemployment in state enterprises and a failure to develop institutions essential to the new economy (including legal and banking systems).

For the ruling elite these and other problems raise serious uncertainty about control and stability. Fear of things getting completely out of hand — what President Clinton rightly referred to as China's "historical fears of chaos and disintegration" — must be real.

Urgent domestic pressures and opportunities are what will determine the behavior of the Chinese leaders in the foreseeable future, not outside influences.

Still, the United States will have to decide on a policy toward this increasingly important country. The discussion has been framed in terms of a choice between containment and engagement. They are inadequate terms. But it should be noted that we have something better than abstract speculation to go on concerning their respective merits.

For over the last half-century the United States has tried both. From 1949 until 1972 it opted for containment, nonrecognition and virtually nil engagement — and that period was one of almost uninterrupted disaster and misery for the Chinese people.

Starting in 1972 the United States has opted for active engagement — and, despite occasional setbacks, those years have been ones of spectacular improvements both in economic conditions and, yes, human rights.

This, of course, does not establish a direct causal relationship between engagement and improvement. But the two are surely not entirely unrelated, and the president is right when he insists that America must now stay on that course of engagement.

The writer, editor of *The National Interest*, contributed this comment to *The New York Times*.

In its policy toward China, America must balance human rights concerns with other interests, many of which have moral content of their own.

Currency Crisis Spells a Greater Beijing Role in Hong Kong

By Philip Bowring

HONG KONG — The crisis that is only just beginning to unfold will severely test Hong Kong's internal cohesion and its financial autonomy vis-à-vis Beijing. The Hong Kong dollar peg to the U.S. dollar can hold just as the Argentine peso — likewise subject to a currency board system — held after the Mexican debacle. But the cost will be much higher than many of Hong Kong's richest citizens will be prepared to bear. Meanwhile, China seems of two minds about Hong Kong's predicament.

The crisis should not be seen as surprising or irrational. Hong Kong does not have a current account deficit, but it does have all the other woes that have undermined the currencies and markets of Southeast Asia, notably excessive credit growth to finance and property sectors fueled by massive capital inflow. Seven years of credit growing at twice the rate of GDP had driven Hong Kong property prices to levels that exceeded Japan's peaks. A squeeze on supply coinciding with a surge in credit has meant that more than 5 percent of GDP has been going straight into the pockets of a cartel of developers. They were worried already by Chief Executive Tung Chee-hwa's plans for increased housing supply. Now the reckoning for them has just begun.

The authorities here now realize that Hong Kong does not just face the problem of descending asset prices. In the wake of the

regional devaluations it now finds the broader economy is in danger from cost excesses. Tourism has slumped and many service industries may shift to Singapore, Tokyo, Shanghai, Sydney, Bangkok and elsewhere where costs are much lower.

Hong Kong must deflate. The only question is whether this is achieved by abandoning the peg of maintaining it through high interest rates and a massive reduction in asset prices. Most savers would prefer a stable currency.

Small savers who own neither property nor shares and must save for retirement have for years seen the real value of their savings eroded to the benefit of asset owners. Most want a stable

currency and low inflation. However, the developers and a significant part of the new property-owning — but mortgage-paying — middle class, which have both benefited inordinately from asset escalation and low to negative real interest rates, would prefer the currency to fall than their asset values to be crippled by deflation and high interest rates. Likewise, businesses such as tourism and manufacturing are desperate for a devaluation.

Beijing is torn. It seems to recognize that Hong Kong has had a bubble that needed deflating, is conscious of failures elsewhere to fend off currency pressures and would be loath to commit its own resources to defend the wealth of its little enclave, which boasts financial

autonomy. On the other hand, abandoning the peg under pressure and so soon after the handover would be a loss of face. It would also probably undermine Hong Kong's use in raising foreign capital for mainland enterprises.

Beijing will emerge as more involved in Hong Kong affairs, whether it wants to or not. If the peg holds, that will be partly attributed to support from China's own reserves. If it does go, it will be assumed that this was done with Beijing's approval.

In the end, it is Hong Kong's people, not speculators or Beijing, who — for once — will have the biggest say in the currency. Will they keep faith with a Hong Kong dollar that can only go one way against the U.S. currency? Local banks have imposed huge penalties on those switching Hong Kong deposits into U.S. dollars. But what will happen when those Hong Kong deposits mature? What interest rate will be needed to keep local confidence?

If Hong Kong dollars are in short supply, how many will now be willing to take an exchange risk and borrow foreign currency instead? Southeast Asia is a tale of mammoth losses from a currency mismatch. Hong Kong already has much bigger exposure than most imagine. Foreign currency lending for use in Hong Kong totals over U.S. \$45 billion, similar to Thailand's, and banks' Hong Kong dollar loans-to-deposits ratio is 110 percent.

If the peg falls, stand by for massive losses by international banks, already facing a mountain of nonperforming loans in Southeast Asia. If it doesn't, watch the crumbling of developers' worth.

Hong Kong may have an interlude of relative quiet, helped by official support while President Jiang Zemin is in the United States. But so far we have seen only Act One of the play.

The writer, formerly editor of *The Statesman (India)*, is now an editorial consultant with *The Straits Times (Singapore)*. He contributed this comment to the *International Herald Tribune*.

Battle of the Airwaves: India Invokes Asian Values

By Sunanda K. Datta-Ray

NEW DELHI — It is now India's turn to invoke the sacred word of Asian values to consolidate the government's political and financial authority. Behind the action against Star TV's Rupert Murdoch, his Indian chief executive, Rathikanta Basu, and 26 others — who have been summoned to appear in a New Delhi court Monday on charges of broadcasting four "obscene" films — lies a much more potent battle for control of the airwaves.

Of course, Star's immensely popular music program, MTV, is loud and brash. Of course, V.N. Gadgil, a former information and broadcasting minister, is right to complain that young Indians — though only the urban well-to-do — are addicted to "watching MTV and buying jeans, Coca-Cola and hamburgers." But they would have capitulated to the zeitgeist anyway.

Star's local rival, Zee TV, in which Mr. Murdoch also owns a substantial chunk of shares, captivates millions of viewers with very similar lyrics, rhythms and gyrations, except that it broadcasts in Hindi. With even the offspring of orthodox Hindu politicians succumbing to the lure of jeans and Coke, the complaint of cultural contamination is only a red herring. Deep-seated political and economic concerns underlie the charge that foreigners are undermining India's moral values.

When Mr. Murdoch beamed the first private television shows into India in 1991, providing a lively alternative to the dull fare dished out until then by Doordarshan, the government TV monopoly, there were no curbs on foreign ownership of satellite networks. It was not that the government of the day had made a conscious decision to open the skies. But, politically, it was an unsentimental, and while New Delhi hesitated, enterprising businessmen took advantage of the vacuum to put up satellite dishes and canvass subscribers. The response was immediate and enthusiastic. Mr. Murdoch and Star ruled the Indian sky.

In December 1992, when Hindu militants demolished a mosque that a Mogul emperor had built on the site of an ancient temple, Prime Minister P.V. Narasimha Rao grumbled that the protest riots across the subcontinent had been sparked by the BBC's instant reporting, which was part of the Star package. But Mr. Rao and his finance minister, Manmohan Singh, were committed to deregulation in all fields. The broadcasting revamp had to wait until Inder Kumar Gujral became prime minister this year at the head of an uneasy minority coalition.

His is a dual approach. He has dusted off a bill that was passed in 1990, but not enforced, sanctioning an autonomous corporation for Doordarshan and All India Radio. At the same time, he has introduced legislation to license private broadcasters and clamp a 49 percent limit on foreign ownership of television channels. This is an improvement on the draft bill's earlier ceiling of 25 percent, but some legislators are pushing for a total ban.

With about half the population unable to read or write, television is a major force in India. More than 27 million urban households have sets, and 21 percent of them have cable links. In addition, government community sets in the villages ensure that about 90 percent of the people are covered. No wonder advertisers are now flocking to the small screen. Having also boarded the bandwagon with software companies to supply Doordarshan, In-

dia's newspaper tycoons are anxious to fend off outsiders. The core controversy goes back to 1955 when Prime Minister Jawaharlal Nehru himself vetoed a New York Times proposal for an Indian edition. That 42-year-old ban was dredged up in 1991 when London's Financial Times signed a memorandum of understanding with the Calcutta-based Business Standard, and the fortnightly India Today wanted to print Time magazine.

Mr. Singh felt that a liberal democracy like India, with a vigorous tradition of literary and intellectual pursuits, a free press and fluency in English, should be the region's communications hub. But Mr. Rao the politician was not prepared to take on Indian media magnates who feared that professionally managed competitors would run them out of business. At the very least, they stood to lose a large slice of the burgeoning advertising cake.

Of course, there was never a whisper of commercial interests in their campaign. The argument was conducted in a lofty tone. The foreign media represented hostile Western interests. They would sabotage political stability. Worse, they would corrupt the new generation of Indians.

The misleading nationalist argument is being trotted out again as the defenders of Indian values grid for another battle against the supposed forces of evil and inquiry. Demanding an even more sweeping ban, an influential arm of the Hindu nationalist Bharatiya Janata Party accuses multinationalists of seducing Indian youth with such high wages that they turn their backs on worthy professions like the military, medicine and engineering.

Public opinion is divided. A recent survey in New Delhi, Bombay, Calcutta and Bangalore showed that while 77 percent of Indians oppose a ban, 61 percent favor regulation. Overseas channels harm Indian culture, said 58 percent, while 39 percent said they do not.

Unlike other countries, that

receiving an ultimatum from the Fascists, threatening the mobilization of all the Fascist squadrons in Italy unless their demands for immediate participation in the Government were complied with. A new Cabinet, with Signor Giolitti as Premier, is in process of formation.

PARIS — General Charles de Gaulle's Rally of the French People is expected to hold its own in the second round of municipal elections today [Oct. 26]. The second poll is required for towns where absolute majorities are necessary under voting regulations. General de Gaulle's probable continued success was indicated yesterday by the fact that there was still no sign of any union between Socialists and Communists, whose political co-operation until recently has been based on their common espousal of Marxism.

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LANGUAGE

Derailed on the Slippery Fast Track

By William Safire

WASHINGTON — To be revealed before your very eyes this morning is the anatomy of a language column. You will discover its impetus, its motive, its little research tricks, its blinding flashes of lexicographic insight and the way the writer, straining to show how language illuminates The Meaning of Life, settles for the meaning of a word.

1) *Glam onto a vogue word just as it passes its peak.*
"White House Finds 'Fast Track' Too Slippery" is the Washington Post headline over a story by Peter Baker. His lead: "Attention White House speechwriters: The term fast track is no longer in vogue. 'NAFTA expansion' is banned. As President Clinton opens his drive for free-trade legislation, the phrase of choice is 'Renewal of Traditional Trading Authority.'"

Just as many of you were getting your engines steamed up to take the fast track, your track gets renamed. Why? "Fast-track legislation" made its burst for fame in the mid-'70s, as Congress gave the president a right that stretched to 20 years to negotiate trade treaties with other nations without having to face amendments back home; as a result, subsequent treaties like NAFTA would be ratified or turned down, all-er-nuthin'.

Now that presidential authority to zip a treaty through has expired, a Republican Congress is not so eager to hand that power back to Democrat Clinton. That's the reason White House wordmeisters are derailling the use of fast track (too hasty-sounding) and NAFTA expansion (too Beltway-biased) in favor of the solid, stodgy, nothing-new-here "Renewal of Traditional Trading Authority," as if George Washington had been born with the old fast track in his crib.

Part of this first step in building a

language column is to find somebody taking a potshot at the evasive device. No expensive database search necessary; here comes another former White House denizen, Pat Buchanan, syndicated in The Washington Times, writing: "Bill Clinton is putting a new label on the political rat poison he wants Republicans to swallow."

That gives us topicality and turmoil. Now to 2) *Involve the reader.* Here is a postcard from a slum dweller in Grosse Pointe, Michigan, with an incomprehensible scrawl for a name, asking: "What's with fast track? Whatever happened to 'life in the fast lane'?"

Now our linguistic train begins to leave the station, and we 3) *Follow the usage trail.*

The fast lane comes from auto racing. The trusty Oxford English Dictionary has a 1966 citation from

Not to mention, satisfying the slaving etymological urge in roots-deprived readers.

Thomas Henry Wisdom's "High Performance Driving": "One is frustrated on a motorway by the driver ahead in the fast lane (if only he understood it is the overtaking lane)."

How did the term get popularized in its metaphorically broadened form? A 1972 novel by Douglas Rutherford was titled "Clear the Fast Lane," but that was still about auto racing. Then, in 1976, a rock group named the Eagles put out an album, "Hotel California," that included the single "Life in the Fast Lane," by Joe Walsh, Don Henley, and Glenn Frey.

"They knew all the right people/They took all the right pills/They threw outrageous parties/They paid heavenly bills/There were lines on the mirror, lines on her face/She pretended not to

notice she was caught up in the race... The chorus: "Life in the fast lane! Surely make you lose your mind..."

Since that song, the fast lane has had overtones of the drug culture and impending disaster, a speeded-up, sinister, modern version of Shakespeare's "primrose path of dalliance."

At this point, the language columnist thinks he has come to the end of it all, fulfilling his obligation to 4) *Satisfy the slaving etymological urge in roots-deprived readers.* We have seen the OED make clear that the derivation is from highway driving. In Britain, the fast lane is the overtaking lane; in the United States, it is usually officially called the "passing lane." And as fast lane was being adopted, it spawned, or influenced, fast track.

Not so fast. The phrase fast track has a long history in horse racing, to mean "dry, conducive to speed." On the other hand, if it has been raining, the wet track is described as "slow," and the touts race about trying you to put your money on a "mudder," a horse that digs slogging. Count on some reader to find a metaphorical extension of fast track in a Jane Austen or Henry James novel.

Nor is that the only untapped root. Soon the vast legion of railroad buffs will check in with yards of lore about fast railroad tracks, where expresses roar past with whistles in the night.

And so the column falls together, requiring the writer only to 5) *Leave with a snapper, or sometimes a peroration.* When next you hear of Congress disbanding the president's bid for fast-track authority, think of the well-ventured business executives and political lions on the rise, following the racing drivers careening around the speedways, following the jockeys booting their mounts home on a sunny day, following John Luther (Casey) Jones, the hero engineer, slamming on the brakes and giving up his life to save his passengers from death on the fast track.

New York Times Service

BOOKS

SHTEITL: The Life and Death of a Small Town and the World of Polish Jews

By Eva Hoffman. 269 pages. \$25. Houghton Mifflin.

Reviewed by Richard Bernstein

IT is the "life" in her subtitle as much as the "death" that interests Eva Hoffman in "Shtetl," her history of Poles and Jews in Poland as seen through the history of a small town near the border with the former Soviet Union.

Hoffman, an American writer who was born in Poland, wants, as she puts it, "not only to remember but to remember strenuously." In so doing, she aims to rescue the complicated relations between Poles and Jews from the aggrieved clichés that tend to dominate contemporary images.

Especially since the Holocaust, Jews have, Hoffman says, seen Poland as "the very heart of darkness, the central symbol of the inferno." But this way of looking at things is simply not true, she argues, presenting her book as a kind of inverse of what may be the most heatedly debated book of the past couple of years, Daniel Jonah Goldhagen's

"Hitler's Willing Executioners." Goldhagen's thesis is that the Holocaust was the logical result of German culture itself, which took Jew-hating as a central principle.

Hoffman's main point is, by contrast, to demonstrate the falseness of a related notion: "That ordinary Poles were naturally inclined, by virtue of their congenital anti-Semitism, to participate in the genocide, and that Poles even today must be viewed with extreme suspicion or condemned as guilty for the fate of the Jews in their country."

To accomplish her purpose, Hoffman, a former editor at The New York Times Book Review, visited Bransk, a town in eastern Poland that was the subject of a documentary film, also called "Shtetl," produced and directed by Marian Marzyński.

Hoffman spoke to people in Bransk. She read its Yiddish book, a Jewish Book of Memory, written two years after World War II. She spent time with Zbigniew Romanik, a young resident of the town who took it on himself to research its Jewish history. He and some other young men, none of them Jews, even created a memorial Jewish cemetery made out of gravestones that they un-

earthed and restored. Hoffman, who is Jewish, also interviewed the few Jews who survived in a town that once had about 4,000 of them, more than half the total population. And she examined scattered documents that complete a history of Jewish life in Bransk that goes back to the 18th century.

Hoffman's project is certainly worthy, and the book she has produced amply proves her point, that the history of the Poles and the Jews is morally complicated.

But the solidity of the argument does not rescue "Shtetl" (the word means small town in Yiddish) from dryness and abstraction. It is not an easy task to put flesh and blood into the history of a small, obscure place that produced no famous people or notable local chroniclers, and Hoffman, while dutifully recording what information she obtained, does not manage to surmount the limitations she faced. One feels at the end that Hoffman's historical lesson has been achieved, but for the feel of the shtetl — a sense of its richness and poverty, its eccentric threadbare piety, its truculence and struggle — Hoffman does not add a great deal to our knowledge.

New York Times Service

BRIDGE

By Alan Truscott

THE two United States squads, both loaded with former world titleholders, surged to the top in the Bermuda Bowl at the world team championships in Hammamet, Tunisia, on Oct. 22. With half the qualifying play completed, they seem sure to reach the playoffs, which begin Sunday.

The busiest person at these championships may be Santanu Ghose of India. He and his partner, Jaggy Shivdasani, are the anchors for the Indian team, playing nearly every deal, and he is writing a daily column for The Telegraph in Calcutta.

On the diagrammed deal, in the fourth round against Po-

land, he had an agonizing decision to make at West.

This is a hard hand to bid. Looking at all the cards, one would choose to play three no-trump. The Polish North-South players overbid as shown to a dreadful contract of six spades. East doubled to ask his partner for an unusual lead, which gave Ghose plenty to think about. And think he did, knowing the result of the match might well hinge on his decision.

A lighter double suggests the lead of dummy's first suit, and it was possible, barely, that East was void in hearts. It was clear that East did not want a club lead, the unbid suit, but he might well want a diamond.

The Vugraph audience suffered with Ghose, who finally led a heart. Disaster.

South won with the heart queen, throwing a diamond, and drew trumps. He crossed to the club king, threw two more diamonds on the top hearts, and ruffed a heart. He then took a club finesse, and scored his last club at the finish. Thanks to the miraculous lie of the cards, he had made an overtrick for a score of 1860.

This was a rare hand, for it made 9 tricks or 13 tricks depending on the lead. In the replay, the Indian North-South partnership reached four spades, very reasonably. But the Polish defender hit on a diamond lead, and the result was down one. The fourth round of diamonds promoted a trump trick for the defense. Poland gained 18 imps but would have lost 12 if Ghose

had guessed to lead diamond. That would have made the match a virtual tie, but as it was the Poles prevailed 22-8.

NORTH (D)			
♦ A K Q 10 2	♥ 9 8 5 3	♠ A K J	♣ A K J
WEST			
♦ 10 4 3	♥ J 8 7 3	♠ 8 4	♣ A K Q 2
♦ 9 2	♥ 3	♠ Q J 2	♣ 8 7 5
SOUTH			
♦ A K Q 8 7 5	♥ —	♠ J 7 6	♣ 10 8 8 4
♦ —	♥ 10 9 8 7 6 5 4 3 2	♠ —	♣ —
The bidding:			
North	East	South	West
1 ♠	Pass	2 ♠	Pass
3 ♠	Pass	4 ♠	Pass
4 ♠	Pass	5 ♠	Pass
5 ♠	Pass	6 ♠	Pass
West led the heart ace.			

CROSSWORD

- ACROSS
- 1 "Gee whittaker!"
 - 2 Like a good lounge chair
 - 3 Go steady with
 - 4 Follow, as orders
 - 5 "...like a big pizza pie, that's (old song lyrics)"
 - 6 Russian river or mountain
 - 7 "St. Elmo's Fire" actor Rob
 - 8 Sinks one's teeth into
 - 9 Is sick
 - 10 60's sitcom/50's movie
 - 11 Aardvark's habit
 - 12 Lumberjack's tool
 - 13 Possesses
 - 14 Shirt or dress
 - 15 Monet supply?
 - 16 What to make a dog into
 - 17 Dweeb
 - 18 Allude (to)
 - 19 60's sitcom/50's movie
 - 20 Individually owned apartment
 - 21 Opposite of a thinker
 - 22 Airport conveyance
 - 23 Swiftness
 - 24 Invisible troublemaker
 - 25 Where the iris is
 - 26 "Hold on a minute!"
 - 27 60's sitcom/50's movie
 - 28 Artist's work
 - 29 Flip out
 - 30 Jazz lingo
 - 31 Location
 - 32 Dame
 - 33 Prowlward
 - 34 Kid warrior
 - 35 Kills, as a dragon
 - 36 Emperor with a burning ambition?
 - 37 Credit card color
 - 38 Clarinet cousin
 - 39 Sifted
 - 40 Laughing
 - 41 Where to get a tad
 - 42 Exclude
 - 43 Butterfly's cousin
 - 44 Liberate
 - 45 Flunk
 - 46 One of the African Brothers
 - 47 Operatic solo
 - 48 Baby powder ingredient
 - 49 Otherwise
 - 50 Garment's end
 - 51 Bonus
 - 52 "Down the (toilet)" (drinker's lingo)
 - 53 Sound before "Gee whittaker!"
 - 54 Bloodhound's trail
 - 55 English author Charles
 - 56 1983 Michael Keaton comedy
 - 57 Ford flop
 - 58 Flaming
 - 59 Pass-the-baton race
 - 60 Product sample's invitation
 - 61 Little bit
 - 62 CPR practitioner
 - 63 Call, to a cowboy
 - 64 Flying toys
 - 65 Ases as king
 - 66 Born as
 - 67 Don appliance
 - 68 New Orleans cooking style
 - 69 Any Buffalo Bills Super Bowl result
 - 70 Grand, as an adventure
 - 71 Hammer or sickle, e.g.
 - 72 "Tee-oh-oh"
 - 73 Grand Ole
 - 74 Workbench clump
 - 75 At any time
 - 76 Start over

Solution to Puzzle of Oct. 24

SHAPER HORRID PARLOUS BARRAGE OVEREAT BARRAGE TANTARA BARRAGE SNOOZER BARRAGE ABLENT BARRAGE REARD BARRAGE

REIGNEDNESS ADDING COEDITY CELESTIA LOWDEAR APOCKEY ARGENTY DENTINE IMAGETIS INDIENT MATIETIS ADANS TETIETIS

INTERNATIONAL

Terrorists Thriving on Congo Border

Region of Uganda in Turmoil After Murderous Attacks

By James C. McKinley Jr.
New York Times Service

KASESE, Uganda — It was midnight. She was in bed when she heard the angry voices outside the one-room apartment she and her husband lived in on the outskirts of this defunct mining town near the border with Congo. Then machine-gun fire hammered, and there were screams.

Theresa Kabahuma hurried to her dress while her husband scrambled to his feet. A ragged man with an automatic rifle kicked down their wooden door.

She pleaded for her life and for the life of the baby she was carrying in her belly. She said she knew nothing about politics, cared nothing for the government of President Yoweri Museveni.

"He said, 'We have come to take nothing but your lives,'" recalled Mrs. Kabahuma, 21, as she lay in a hospital bed recently recovering from wounds.

The attacker apparently did not try to kill her, but shot her in both legs — first the right, then the left — spraying short bursts of bullets. As she was losing consciousness, the gunman turned his weapon and blew a hole in her husband's head.

Her husband was one of 13 people who died that night, when a small band of self-styled rebels who call themselves the Allied Democratic Forces crept down from the Rwenzori Mountains to terrorize this town.

The massacre, on Sept. 23, was part of a terrorist campaign that has taken at least 150 civilian lives since June, military leaders said, in western Uganda near the border with Congo, the former Zaire.

In the most recent incident, on Oct. 19, rebels herded about 30 villagers out of a remote mountain community into a field, separated 14 men from the rest and shot the men dead, Agence France-Presse reported. Two weeks earlier, rebels northwest of Kasese killed 18 people, authorities said.

The rebel attacks have scared nearly 80,000 people off their farms and into shelters in trading centers, severely damaging the agricultural economy here, United Nations officials said.

The violence underscores the persistence of armed rebellions in the region and the use of border areas like the Rwenzori as rear bases.

When Uganda and Rwanda helped a predominantly Tutsi rebel army under Laurent Kabila last year in his move to take over Zaire, their primary aim was to stop rebel groups like this one from using staging areas in that country, which he has renamed Congo.

But so far Mr. Kabila has been unable to gain military control in the mountains and rain forests in the eastern part of his country. Not only have the rebels of the Allied Democratic Forces managed to continue terrorist attacks in Uganda from the safety of the bordering mountains, but Rwandan Hutu guerrilla groups have stepped up their brutal onslaughts in western Rwanda as well, retreating among the volcanoes straddling their border.

One problem is that Mr. Kabila's army is stretched thin, diplomats and military officials say. His soldiers in eastern Congo are battling uprisings there among several ethnic groups, all of which resent the political ascendancy of Congolese Tutsi resulting from Mr. Kabila's victory.

These rebel ethnic groups sometimes join forces with what is left of Hutu guerrilla bands from Rwanda and Burundi, many of which are still hiding in Congo, as well as with various other armed groups, like the Ugandan rebels operating here.

The Hutu guerrillas fled Rwanda fearing retribution after their tribal kinsmen slaughtered hundreds of thousands of Tutsi, and they are fighting to end what they see as a Tutsi oligarchy. But the Ugandan rebels appear to have little in the way of a coherent ideology.

Some of the propaganda found in their camps suggests that they want to establish an Islamic state in Uganda. Other leaflets left near their victims suggest that they believe Mr. Museveni, a former rebel leader who took power in 1986, is a Rwandan native who has "confiscated our motherland."

Ugandan military officials say there is no doubt that the rebels include scores of Islamic fundamentalists from Uganda, who have been supplied with military hardware by the Islamic government in Sudan.

But these Muslim fighters have joined forces with the remnants of an older guerrilla band based in the mountains. That group, called the National Army for the Liberation of Uganda, was

originally Christian and supported Milton Obote, the dictator who lost power in the 1980s during Uganda's civil war.

When the Zairian rebellion erupted a year ago, Mr. Kabila's advance threatened the Ugandan rebel headquarters at the town of Beni, inside Zaire. To escape Mr. Kabila's forces, the Ugandan rebels invaded the area near Kasese last November, briefly capturing two border towns.

Ugandan troops drove the rebels back over the border after heavy fighting. For several months, the group appeared to have been routed.

But on June 16 it resurfaced high in the mountains on the Ugandan side, taking the town of Bundibugyo with a force of about 600 men and holding it for three days before being forced to retreat.

Since then, the group has sown terror throughout the mountains and foothills,

attacking civilians on their farms and leaving beheaded bodies behind. There have also been numerous reports of abductions and rapes by members of the group, Ugandan officials said.

The attackers often leave evidence stuffed in the pockets of the dead: propaganda identifying the killings as the work of the Allied Democratic Forces.

"The ADF came to stay," reads one bloodstained letter that Ugandan soldiers found on a corpse. "There is no way you can survive us. However, it's never too late to pray."

The purpose of the violence escapes most people living in Kasese and nearby towns. Efforts to contact the rebels have been unsuccessful.

"It's terrorism," said Yvorokamu Kamacerere, the regional district commissioner. "They think they are fighting a guerrilla war, but it's really terrorism. The idea is to terrorize the population."

Art Writer Thinks Famous Van Gogh Is \$40 Million Fake

Compiled by Our Staff From Dispatches

LONDON — A Van Gogh "Sunflowers" bought in 1987 by a Japanese insurance company for a record sum is probably a fake, a British press report said Sunday.

The unsigned work is "almost certainly" the work of Claude-Emile Schuffenecker, a Parisian admirer of Vincent Van Gogh who made several copies of the master's works in the early 1900s, according to an article in The Sunday Times by the art writer Geraldine Norman.

When the canvas was sold in 1987 by Christie's auction house for £24.75 million (\$40.44 million) to the Tokyo-based Yasuda Fire & Marine Insurance Co., it became the world's most expensive painting. It had been owned by the Chester Beatty family.

It is the only one of three paintings of 14 sunflowers in a vase not bearing Van Gogh's signature. The first was painted in August 1888, and five months later Van Gogh made a copy for his friend Paul Gauguin. In a letter to his brother Theo, Van Gogh wrote that the two canvases were "absolutely equivalent and similar."

There is no mention of a third painting in any of the artist's extensive correspondence and other documents.



This \$40 million still life of sunflowers may not be by Van Gogh.

"Schuffenecker is our prime suspect" because he was responsible for restoring one of the sunflower canvases for an exhibition in Paris in 1901, Mrs. Norman wrote.

Schuffenecker "had the classic psychological profile of a faker: an artist so resentful of his own lack of recognition that he made fakes to prove that connoisseurs cannot tell the difference," she wrote.

Other works attributed to Van Gogh may also be fakes, including some held by the Musée d'Orsay in Paris, the article said.

The Art Newspaper reported in July that the picture, as well as 100 other paintings and drawings by Van Gogh, might be fakes. (AFP, AP)

Angola to Withdraw Forces From the Republic of Congo

Compiled by Our Staff From Dispatches

LUANDA, Angola — The government agreed Sunday to withdraw its troops from the Republic of Congo, where it helped Denis Sassou-Nguesso return to power this month, the U.S. envoy to the United Nations, Bill Richardson, said.

Mr. Richardson, here on the second leg of a six-nation African tour, also announced that a regional summit meeting would be held in Luanda on Monday to

Richardson Gives Savimbi a Deadline

Reuters

LUANDA, Angola — The U.S. envoy to the United Nations, Bill Richardson, on the second leg of a six-nation African tour, gave Angola's rebel leader Jonas Savimbi five days Sunday to prove his commitment to a 1994 peace deal with the government.

Mr. Richardson said in Luanda, before flying on to Mr. Savimbi's central stronghold of Andula, that UN sanctions against Mr. Savimbi's former guerrilla army, the National Union for the Total Independence of Angola, could be implemented by next weekend.

"Unless we see some serious progress," Mr. Richardson said, "some dramatic steps taken by UNITA in the next few days, I expect to see the sanctions take effect at the end of the month."

The United Nations voted in August to impose sanctions on UNITA if there was no immediate progress toward a lasting peace.

discuss the situation in the Republic of Congo after the four-month civil war there. Angolan troops helped General Sassou-Nguesso's militiamen capture the airport in Congo's capital, Brazzaville, on Oct. 14 during an offensive against the last positions held by supporters of former President Pascal Lissouba.

The following day, the Angolan forces helped General Sassou-Nguesso take the oil-producing city of Pointe-Noire in the southwest.

Mr. Richardson said Monday's meeting would be attended by General Sassou-Nguesso, President Omar Bongo of Gabon, President Laurent Kabila of the Democratic Republic of the Congo and President Eduardo dos Santos of Angola.

Meanwhile, residents streamed back to Brazzaville on Sunday, a day after the inauguration of General Sassou-Nguesso as president.

Hundreds crossed the Congo River by dugout canoe from Kinshasa, capital of the Democratic Republic of the Congo, where they had taken refuge during more than four months of fighting that killed thousands of people, many of them civilians.

They joined thousands who returned home from outside Brazzaville at the end of last week, bringing life to streets that had remained largely deserted throughout the fighting.

But relief workers say the city is far from ready to cope with a mass return, and the future for many is uncertain.

General Sassou-Nguesso, 54, who ruled from 1979 to 1991, appealed for national reconciliation at his inauguration. (AFP, Reuters)

Congo to Let UN Team Roam Country

Reuters

KINSHASA, Congo — President Laurent Kabila has struck a deal with the United Nations, granting it the right to investigate allegations of massacres throughout the country without interference.

The U.S. special envoy Bill Richardson and Mr. Kabila announced the deal Saturday; it also extends the mandate of the investigation until the end of 1997.

Mr. Richardson, Washington's chief delegate to the United Nations, said at a news conference that the UN investigators would begin work by the end of first week of November and aim to complete their inquiry by Feb. 28.

"We want to see action and not words, and this is a good start," he said, adding that he was "cautiously optimistic."

The UN team, which arrived in Kinshasa on Aug. 24, was set up to investigate allegations by relief workers

that Mr. Kabila's forces or his Rwandan allies massacred thousands of Hutu refugees during the revolt that brought him to power.

Mr. Kabila has repeatedly professed his army's innocence.

"The government of the Democratic Republic of the Congo confirms acceptance of the team," said a joint communiqué, read by Mr. Richardson. "The team is free to deploy wherever it wishes without any interference. The mandate of the team covers the period March 1, 1993 to December 31, 1997."

Mr. Kabila had earlier insisted that the inquiry should not extend beyond May 17, the date on which he deposed the late dictator Mobutu Sese Seko after a seven-month rebellion.

"I agree absolutely with the contents of Ambassador Richardson's statement," he said, adding, "This is a big change by us."

Mr. Richardson, who met Mr. Kabila earlier in the day in a final effort to save the inquiry, said that if the team needed extra time, the UN secretary-general, Kofi Annan, would have the right to extend its mandate beyond Feb. 28.

"If the team has been unable to complete its work by then the secretary-general may extend this period in consultation with the government," the statement said.

Disputes over details and the breadth of the inquiry have kept the team in Kinshasa. Mr. Kabila had insisted that the inquiry be restricted to the eastern Kivu region.

The team wanted to begin its investigation in Mbandaka in the northwest, where massacres were reported in May.

Mr. Richardson arrived in Kinshasa on Friday on a trip that will also take him to Rwanda, Angola, Eritrea, Uganda and Ethiopia.

INTERNATIONAL

Turmoil in Asia Could Spoil the Appetite of Investors for Risk

By Carl Gewirtz
International Herald Tribune

PARIS — Curdled by the financial turmoil in Asia, the global taste for risk has soured — exposing world financial markets to a sick performance at least until the end of the year.

After Dec. 31, experts say, with a new 12-month horizon to manage exposures, institutional investors, who are now cutting losses or cashing in profits before they evaporate, will again become more venturesome.

But the dangerous period between now and then is not a function of what occurs in Asia. Specialists say that the reverberating upsets in Asia, and the inevitable slowdown in regional growth resulting from high and, in some places, rising interest rates, are not powerful enough to derail the world economy.

Rather, it is the lost appetite for risk that could become destabilizing. The nightmare scenario is a meltdown in global stock prices that so damages consumer confidence that slumping demand triggers a worldwide economic slowdown.

The potential for trouble is great. In part that is because U.S. stock prices — the bellwether for world markets — have risen to levels that many analysts consider unsustainably high, and in part it's

because "there is a sense that we are near a turning point — one of those rare cyclical events, which in this case would be an end to the extraordinary period of growth without inflation," said Charles Wyplosz, a monetary specialist at the Graduate Institute of International Studies in Geneva.

"Everyone is bewildered by the absence of inflation in the United States," he said. "No one really understands why, and no one really believes in it. And in Europe, no one believes a pick-up in growth without inflation is possible." The result, he said, is "a recognition that interest rates are not going lower from here but higher," bringing to an end the bull markets that have sent stock prices to record highs this year in North America and Europe.

Although fast growth should be good for business, Mr. Wyplosz said, "the focus now is on how rising interest rates will crimp spending and investment."

Sharing the concern about the potential for a global plunge in stock prices, John Llewellyn at Lehman Brothers makes the more upbeat observation that "neither the 33 percent fall in the Standard & Poor's index in 1987 nor the 8 percent and 10 percent falls in 1994 and 1997, respectively, caused U.S. growth to falter." The S&P index ended the week at 941.64, down 1.9 percent from its early August high.

Moreover, because the key determinant of U.S. growth now is domestic monetary policy, Mr. Llewellyn said, "the Fed can certainly be relied upon to be alert to any possible excessive weakening of the U.S. economy — which is scarcely its problem at the moment."

The markets will also be calmed by the mechanics of the flight away from risk to greater safety — a rush to buy triple-A-rated government securities, notably U.S. and German bonds. The weight of this demand last week drove market interest rates down by just over one-eighth of a percentage point in both markets. Declining interest rates should help stabilize stock prices.

Still, share prices in New York — widely viewed as overvalued — continued to fall, pulling down some major European exchanges that initially rallied after Friday's partial recovery in Hong Kong. Along with equities, the instruments most exposed by the flight to quality include all types of risky assets — particularly bonds from low-rated issuers. Prices on such paper are falling, increasing the yield and, in effect, raising risk premiums.

J.P. Morgan's index of emerging-market bonds suffered its biggest one-day fall of the year Thursday after the 10 percent plunge in Hong Kong stocks. Russia, which last week sold \$400 million of 10-

year bonds, was obliged to price the paper at a spread of 334 basis points over comparably dated U.S. government paper. Before the upset, the Russian paper outstanding had been trading at a spread of 290 basis points.

In the secondary market, spreads on even top-quality paper widened by around five basis points amid the scramble to move into U.S. and German government issues.

At first glance, the dollar should be the big winner. The U.S. government bond market is the largest and most liquid in the world and the traditional first resort in troubled times. The U.S. currency, however, faces some hurdles of its own.

On Tuesday, the government reports the employment cost index for the third quarter — a measure so essential to assessing the inflationary impact of falling U.S. unemployment that the Federal Reserve Board chairman, Alan Greenspan, reportedly has asked to reschedule his appearance before the Joint Economic Committee of Congress to Wednesday, the day after the data's release.

Were the data to signal a worrisome rise in labor costs, the dollar could run into trouble, as it is a foregone conclusion that the Fed will not raise interest rates at its Nov. 12 policy meeting so long as financial markets remain so jittery.

BRIEFLY

Russian Has Talks In Syria and Israel

DAMASCUS — Foreign Minister Yevgeni Primakov of Russia said Sunday that he hoped to narrow differences between Syria and Israel over the peace process.

Mr. Primakov, speaking to reporters before leaving Damascus for Jerusalem, said, "The purpose of my visit is to bring closer together the viewpoints of the two parties."

But he said he would "not reveal the contents of my discussions with Syrian President Hafez Assad," which lasted almost three hours.

A senior member of the Russian delegation said Mr. Primakov was bringing "new Syrian ideas" to Israel on how to resume the talks, which have run aground over Israel's refusal to withdraw from the Golan Heights, occupied in 1967. (AFP)

Mubarak Launches Irrigation Project

RASEL-ISH, Egypt — President Hosni Mubarak inaugurated a huge irrigation project Sunday designed to bring Nile water to 400,000 acres of desert land.

On Sunday, water began flowing into four tunnels under the Suez Canal, opening the second phase of a project that will channel water from the Nile through the Suez Canal and into the Sinai Peninsula. The entire canal is 262 kilometers (162 miles) long.

Mr. Mubarak ruled out the possibility of supplying Israel with water after it reaches Sinai.

"This is an Egyptian project, and we will give no water to anyone," he told reporters at Ras el-Is, 27 kilometers south of the Mediterranean city of Port Said. (AP)

Abstentions High In Colombian Vote

BOGOTA — Colombian voters stayed home in droves Sunday as leftist rebels enforced a boycott amid rightist retaliation, making the vote possibly the most ignored in the nation's history.

Defense Minister Gilberto Echeverri acknowledged "isolated incidents" Sunday. An electrical tower at the western port of Buenaventura was bombed, four electoral officials were kidnapped in the east, a civilian helicopter ferrying electoral officials was shot at and four soldiers were wounded in a clash with leftist rebels. (AFP)

For the Record

Cuba will hold legislative elections in January, less than two weeks before the arrival of Pope John Paul II, Cuban officials said. (AP)

UN Leader's Grand Plans For Reform Hit Obstacles

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Secretary-General Kofi Annan's plans to make major changes in the way the United Nations works have run into serious trouble in General Assembly committees, where they are being buried in a blizzard of questions and objections.

From the creation of the post of a deputy secretary-general to the streamlining of top-level management to a budget based on departmental results, the measures — totaling more than 70 large and small ones — are being dissected by national delegations.

The fate of Mr. Annan's plans, which critics in Congress have dismissed as not bold enough, will reflect on the secretary-general's reputation as an insider who knows how to get things done. A failure or long delay in making sig-

nificant changes would also further damage the chances of getting the United States to pay overdue bills.

"If the present trend continues, it will have a measurable, adverse effect in Washington," said John Bolton, a former assistant secretary of state for international organization affairs and now senior vice president of the American Enterprise Institute, a research group in Washington. "People will say the place is just not susceptible to change."

Mr. Annan took office on Jan. 1 with the backing of the Clinton administration, which presented him to Congress as a reformer who would be more effective than his predecessor, Boutros Boutros Ghali, whose bid for a second term was vetoed by Washington.

UN as well as American and European diplomats were reasonably confident in July, when the heart of Mr. Annan's reform package was presented, that the popular secretary-general would not face serious hurdles in the General Assembly, whose approval is needed for some — though not all — of the proposals.

But what is happening now in the General Assembly shows the near-impossibility of quick action from the 185-member body, where every proposal is scrutinized for any number of reasons by one or more national delegations or groups of countries.

"The process of review is taking longer than expected," Fred Eckhard, Mr. Annan's spokesman, said at a briefing last week. "But we are still hoping that we will have a package soon."

Some diplomats have begun to criticize Mr. Annan for spending a number of weeks this year, including much of the summer, away from New York, where he could have lobbied national delegations. Officials say that this is exactly what Mr. Annan does on his trips to foreign capitals.

Mr. Bolton, often a critic of the United Nations, thinks that the problem began earlier. "There was a missed opportunity at the outset of the secretary-general's term when he failed to propose more dramatic changes," Mr. Bolton said.

Mr. Annan's hope of naming a deputy secretary-general by the end of the year was dealt another setback recently when the leading candidate, Sadako Ogata of Japan, the UN high commissioner for refugees, withdrew her name. Mr. Annan has made it known that he would like to choose a woman for the job. Officials say there are no other leading candidates.

Some members of the Security Council have expressed concern that a deputy secretary-general would have too much power, considering that she would not be chosen by the Security Council or the General Assembly and would therefore be beyond their control.

Among developing nations, a large majority opposes the creation of the position.

Ahmad Kamal, Pakistan's representative at the United Nations and one of the most active participants in reform discussions, said in an interview that there were "wide divergences" among countries on the dozens of measures they are considering.



BEKAA PROTEST — Shiite Muslims shouting at a protest Sunday called by the former Hezbollah leader Sheikh Sobhi Tufaili in Baalbeck, Lebanon. He urged continuation of a "hunger revolt" he began there July 4. A Lebanese soldier was wounded by the protesters.

TRADE: China's Demands for Jobs and Technology Trouble the Clinton Administration

Continued from Page 1

institutes for Chinese automotive engineers and to buy most of the parts for its Chinese venture locally after five years.

Such deals trouble many U.S. analysts and policymakers, who fear that American companies are being coerced — in a process contrary to free-market principles — into sacrificing good U.S. jobs, or helping to establish formidable Chinese competitors, or putting their technology at risk of being stolen.

Consider an account by Clyde Prestowitz, president of the Economic Strategy Institute in Washington, of a discussion he witnessed a few months ago among top executives at a company he would identify only as one of the 50 largest U.S. manufacturers, a company that was planning to build a major facility in China instead of in the United States.

Production would not be cheaper overall in China, the executives concluded; in fact, it would be more expensive. The quality would not be better; it would be worse. The products would not be sold to Chinese buyers; they would be exported.

"So the obvious question was, 'Why put it in China?'" Mr. Prestowitz recalled. "And the answer was, 'Well, because we've got big plans for China, and the Chinese want this kind of investment, and they're pressuring us.'"

Such pressures might be expected to ease as China grows more prosperous and is integrated into the global economy. But so far, they are still intensifying, according to business representatives who negotiate with Beijing.

The Chinese authorities "have taken a markedly harder line than in previous years" in insisting on state-of-the-art technology from foreign companies, according to an article published this year in the China Business Review by two Beijing-based lawyers, Douglas Markel and Randy Peerenboom.

Beijing's "increasing inflexibility" stems from the fact that China has been showered with billions of dollars in foreign investment over the past few years and overruns with multinational corporations "eager to enter its market, they wrote."

Yet to hear many U.S. executives tell it, China's demands for technology are simply a part of doing business in a

country that is determined to develop as rapidly as possible — and the risks of complying are well worth taking.

George Fisher, chairman of Eastman Kodak, sounds almost giddy as he runs through some simple arithmetic about how the Chinese market could enrich his company. If China's 1.2 billion people bought as much film per household as their shutterbug cousins in Taiwan, for example, "use of film in the world would rise 50 percent," he said.

Thus, on top of the three facilities Kodak has built in China, the company soon will build major film-manufacturing capacity there, because "it's expected of us," Mr. Fisher said. If some of Kodak's technology ends up falling into the hands of competitors or potential competitors as a result, so be it, he said — adding that, these days, technology quickly becomes outdated anyway.

"You've got to go for it," he said. "You've got to assume you'll lose some technology. But my assumption is, the technology goes, and meanwhile, you've got to keep running."

But others — including people who generally favor the free movement of goods across borders and oceans — con-

tend that economic globalization is not supposed to work this way.

America's overall economic interests can and do benefit when U.S. multinationals build factories abroad on their own initiative, many economists say, because companies almost invariably keep their highest-skilled jobs at home.

Moreover, the closer that multinationals get to their overseas customers, the better they usually become at generating exports from their U.S. operations.

The gains are far less clear when a government such as China's demands investments and technology transfers as a condition of doing business within its borders.

"It troubles me a lot," said a senior official in Mr. Clinton's administration, speaking on condition of anonymity. "It's one thing if I'm, say, Boeing, and I decide to manufacture in a foreign country on a consensual basis for purely commercial reasons."

"But when it's a matter of government policy, where the government of the country involved is saying that to sell here you have to locate here and give us technology — then I'm concerned. It's blackmail."

ITALY: Despite Economic Squeeze, Nation Rallies Behind 'Magic' of Joining the Euro

Continued from Page 1

So far, Italy's drive to qualify for the euro has meant a steady drop in full-time jobs to 1,600 at the factory, compared with a high of more than 4,000 in the 1970s, and an increasing reliance on seasonal workers. But the cutbacks also have meant survival in an increasingly ruthless marketplace.

"Our factory is part of a multinational, so we know what it is like to be competitive at a European level," said Vincenzo Sgallio, 30, a union leader who was 18 when he started work at Perugina, following in his father's footsteps. "Nonetheless, we are frightened."

The uncertainties of life after the euro are very much on the minds of Perugina's workers. They want to be able to compete internationally, but, too, they fear losing their local niche.

They also fear further cuts in Italy's pension benefits, which remain the most generous in Europe, particularly the uniquely Italian plan that allows a worker to start collecting retirement benefits after 35 years of work, regardless of age.

"Pensions are the heart and soul of the workers," Mr. Sgallio said.

Despite these fears and uncertainties, most workers at the Perugina factory — like a majority of Italians — rallied to the side of the Prodi government even though it has pushed ahead with cuts to the country's ample social security system, regarded by the Italian left as its principal political achievement in the post-World War II period.

Mr. Prodi was forced to submit his resignation after a small party of former Communists, the Refounded Communist Party, which is outside the governing coalition but gives it critical support in Parliament, balked at further pension and health care cuts in the 1998 budget. The party eventually backed off and agreed to help restore Mr. Prodi to office in return for a pledge to support separate legislation for a 35-hour-workweek by 2001.

Here in Umbria, at the heart of Italy's so-called red triangle, where voters have long favored leftist parties in local and national elections, the paradox of Italy's unwavering support for "joining Europe" is most apparent.

Workers at Perugina, for instance, were appalled at the prospect of losing Italy's first governing center-left coalition in five decades, and if defending that government meant defending its stringent budget policies, they were ready to do it.

"The workers understand that Europe is a necessity, one that is no longer even open to discussion," Mr. Sgallio said. "Without a united Europe, it would be difficult to maintain a competitive position against North America, Asia."

Many of Italy's political leaders, Mr. Prodi in particular, credit Europe with pulling Italy out of its political and economic slump after World War II and now with forcing it to put its fiscal house in order.

As a country of small- and medium-sized manufacturers that export 70 percent of their goods to neighboring European countries, it has strong economic reasons for not wanting to be left outside of monetary union.

And many Italians believe that dropping out of the race for the euro now, after all the sacrifices already made, would be devastating.

"We were the country in the worst

condition to fit within the Maastricht parameters," said Sergio Cofferati, leader of Italy's largest labor union.

"For that reason, having invested so much in this effort, having made the biggest sacrifices, we have the biggest reason to enter into monetary union."

The urgency to join the euro is particularly acute in northern Italy, where Umberto Bossi and his secessionist Northern League accuse Rome, and the Italian south, of damaging Italy's political reputation and dragging down the economy. If Italy were to be left out of the euro-zone in 1999, mainstream politicians agree that it would only give Mr. Bossi more support.

On the Italian left, where the cutbacks in social programs are felt the hardest, the notion of Europe has taken on another meaning, that of a bulwark against what it sees as the creeping rise of American-style capitalism.

"Europe developed as a kind of defense — an antithesis to the North American model," said Nerio Nesi, a top leader in the hard-line Refounded Communist Party, which is the only political movement that disagrees with the government's pro-euro policies.



Umberto Bossi on Sunday after his party conducted elections on setting up a separate state.

ARGENTINA: Peronists on the Ropes

Continued from Page 1

Frepaso, a breakaway faction of Peronism that believed Mr. Menem was corrupting the party's original ideas.

But The Alliance also has the support of the Argentine middle class, proportionally the largest in Latin America, and traditionally the realm of the Radical Civic Union. The two Alliance parties have found common ground by attacking Mr. Menem's string of political scandals, his aggressive posture toward a free press and free speech in Argentina, and the perception that he has done little to clean up a corrupt judiciary, military and police force.

The Alliance, through its convincing arguments about government and judicial corruption, has robbed Peronism of bragging rights to a "New Argentina" — the dream of bringing the country into the First World — at a time when that goal is truly on the verge of happening, 50 years after Juan Peron promised it.

Shouldn't Argentina be in a love fest with Peronism after all Mr. Menem has accomplished? "It should be, but it isn't," Mr. Menem's foreign minister, Guido di Tella, said in an interview. "But we have been in power for eight years now. What is the shelf life of a European prime minister? Eight years? Maybe 10 years?"

Introduc
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Risk

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Disturbances In Colombia

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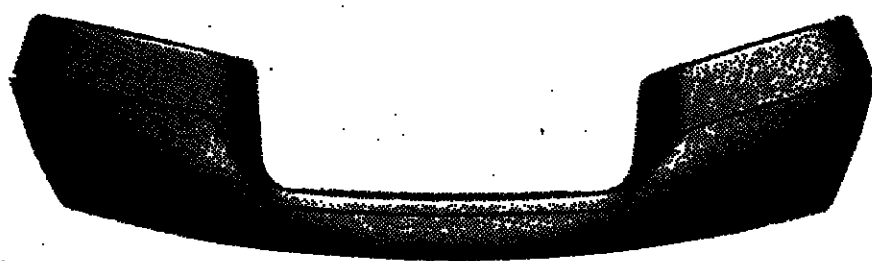
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Oil Starts Flowing Again From Caspian to West Azeris Open New Pipeline

By David Hoffman
Washington Post Service

MOSCOW — With the flip of a large white valve handle, oil from one of the world's last great known reserves has begun flowing out of the Caspian Sea region and through Russia for export to the West, a trickle that eventually will become a torrent of crude.

Natik Aliyev, president of the State Oil Co. of Azerbaijan, pulled the handle at an Azeri village, Shirvanovka, on the border with Russia. He opened a pipeline stretching hundreds of miles northwest from Baku on the Caspian Sea to the Russian port of Novorossiysk on the Black Sea.

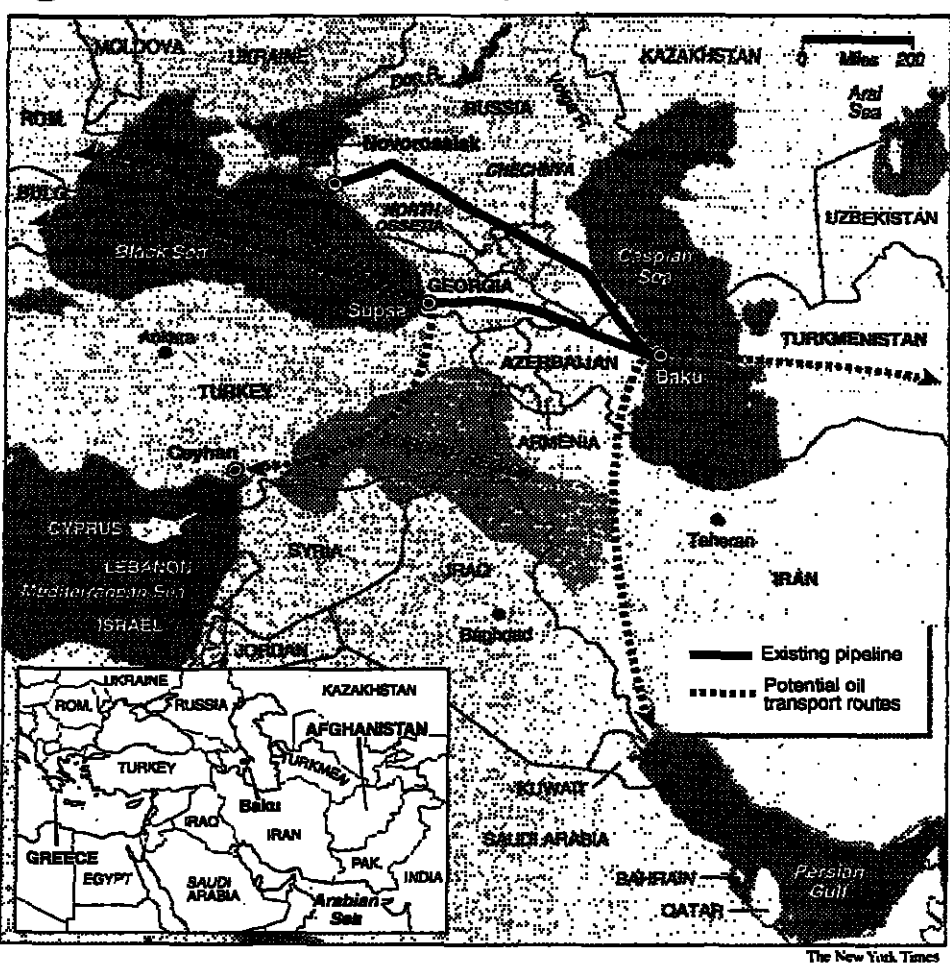
This early flow of oil — about 120,000 tons are expected through the pipeline by year's end — is just the beginning of what may eventually become several million barrels a day from the Caspian, rivaling the Middle East as a source of energy for the world. While energy companies and Caspian Sea countries have been working intensively for years to extract the oil, pipelines have been a bottleneck.

The route opened Saturday runs through war-devastated Chechnya, the breakaway Russian region. Only recently did Russia and Chechnya reach an agreement on repairs of the 150-kilometer (93-mile) segment through Chechnya that was wrecked during the war. The Azeri leg of the pipeline was refurbished nearly seven months ago.

At the ceremony, Mr. Aliyev said Azerbaijan, a former Soviet republic, was resuming export of its own oil to Western markets for the first time in 65 years. "In the most reliable and profitable way, by pipeline," Azeri oil once was exported through a line from Baku, the Azeri capital, to Batumi, a Georgian port on the Black Sea, but it was shut down in 1932.

The first 40,000 tons of Azeri export oil were bought by the Russian oil giant, Lukoil.

The quickened pace of Caspian oil development threatens to



Seoul Seeking to Arrest The Steep Market Slide Kim Summons Advisers After Meltdown

Courtesy of Our Staff From Dispatches

SEOUL — President Kim Young Sam has summoned his top economic advisers to a meeting Monday to devise ways to stabilize South Korea's shaky financial markets after the stock market hit a five-year low following last week's battering of the won and the stock market.

The cabinet meeting Monday will be devoted to working out government measures against a financial crisis in our stock and currency markets, an official at the presidential palace told Yonhap news agency.

The meeting was called after the Stock Exchange of Korea's composite index fell 3.93 percent Saturday, to close at 548.47, a five-year low. The plunge followed a 5.5 percent dip on Friday.

The weakening of the South Korean currency added to the gloom. The won tumbled to an all-time low of 929.50 to the U.S. dollar on Friday, despite central bank intervention.

Both markets were affected by Standard & Poor's Corp.'s downgrading of South Korea's foreign debt, which the agency said was largely prompted by the "nationalization" of Kia Group, a technically-bankrupt automaker.

Kia's bailout by the government, though salutary in the short term, would have "unambiguously negative" long-term effects, Standard and Poor's said.

On Sunday, business circles were anxiously watching the continuing fight between the government and Kia's management — the main underlying factor dragging down the bourse — after Kia's management took the government to court Saturday.

In addition, Kia workers took to the streets of Seoul over the weekend, calling for the resignation of the finance and economy minister, Kang Kyong Shik.

Mr. Kang tried Sunday to pour oil on troubled waters, saying that the government now felt there was no need to hand Kia Motors Corp. over to a third party. Kia management charges that Mr. Kang wants to hand Kia Motors to Samsung Group.

"There is no need to turn Kia Motors over to a third party since we can successfully revive it as a state-controlled company under the command of new and reliable board members," Mr. Kang said on a television program.

His comment marked a departure from an earlier government plan to let the state-financed Korea Development Bank manage the troubled car firm by converting its debt into equity and selling it later.

Investors were also anxiously watching a second major development involving another debt-ridden South Korean corporate giant, Ssangyong Group. Ssangyong, the country's sixth-largest conglomerate, agreed Saturday to sell its lucrative paper-making unit to a U.S. company in a \$69 million deal that could pave the way for more foreign acquisitions in South Korea. (Page 16.)

South Korean shares fell sharply Saturday for the second day as the turmoil in other Asian currency and equities markets made itself felt.

"There is a strong possibility that share prices will fall further in the weeks ahead because of continuing jitters over the currency turmoil and the carnage on overseas markets," said Ko Soon Shik of LG Securities.

Almost all sectors fell on continued sell-offs by small local players and foreign investors. (AFP, Bloomberg)

CYBERSCAPE

Can Tiny Cymer Inc. Keep Beaming Its Sales Up?

By Andrew Pollack
New York Times Service

SAN DIEGO — It is not enough that tiny Cymer Inc. holds the progress of the entire semiconductor and computer industries in its hands. Now, it also has short-sellers and rumor mongers on its tail.

The explosively growing company is basically the only manufacturer of an exotic laser needed to make the next few generations of computer chips.

This near-monopoly on an important technology made Cymer's stock the most successful initial public offering of 1996. The company went public in September 1996 at \$9.50 a share and by the end of the year was trading above \$48. By August this year, the shares reached \$98.50 before a 2-for-1 stock split.

But since September the stock has fallen fast, closing Friday at \$28.0625, or \$56.125 on a pre-split basis.

One reason is that analysts have downgraded the stock, saying Cymer's customers were likely to slow their orders. On top of that came wild — and false — rumors. One was that Cymer's factory had been firebombed.

The most serious rumor, however, is that the lasers are not working well. If

true, that would be a big problem not only for Cymer and its stockholders but also for the whole semiconductor industry.

But while there have been some reliability problems with its lasers, Cymer says the rumors are exaggerations. If so, some investors may sense a buying opportunity.

Although some analysts say the stock is still high-priced, it is trading at about 34 times 1998 estimated earnings — lower than the ratios of many small high-technology companies that do not, like Cymer, dominate a business.

Cymer was founded in 1986 by Robert Atkins and two other researchers who left a San Diego military contractor to find industrial uses for the lasers they had worked on for the "Star Wars" missile defense program.

For many years, Cymer barely survived. "We've been down to the last dollar historically many, many times," said Mr. Atkins, the president, who has a doctorate in physics.

Now, however, the semiconductor industry has advanced to the point where it needs Cymer's lasers — desperately — to continue to make transistors smaller, which allows more transistors to be put on a single chip.

Imprinting circuit patterns on silicon chips is done by machines called wafer steppers; the process is similar to the way light is projected through a negative and lenses to develop a photograph. However, as the circuitry wires get smaller, the wavelength of the light used to print them must also decrease.

Cymer's lasers produce deep ultraviolet light with a wavelength of about 0.25 micron, just the right size for the now-emerging generation of chips. (A micron is one-millionth of a meter.)

Two other companies trying to make similar lasers — Komatsu Ltd., a Japanese bulldozer manufacturer, and Lambda-Physik, a German subsidiary of Coherent Inc. of San Jose, California — have not shipped in volume yet.

Cymer's revenue rose to \$65 million in 1996 from \$18.8 million in 1995. In the first nine months of 1997, revenue hit \$144.6 million, nearly quadruple the level of the period a year earlier. Profit has been climbing, too, and the company has been adding employees so fast that some have had to work in the hallways. If Cymer continues to dominate its industry, it could double its sales in the next few years.

All was rosy until September, when a customer — Cymer can't say which one — asked Cymer to postpone delivery of

Peregrine Tallies Asia Damage Bank Says Stock Unit's Profit Slumped 58% This Year

Bloomberg News

HONG KONG — Peregrine Investments Holdings Ltd., one of Asia's biggest investment banks outside Japan, said Sunday its equity and bond profits had slumped as Asian markets sank since July.

Peregrine said pretax profit in its equities division dropped 58 percent, to an unaudited 124 million Hong Kong dollars (\$16 million) between Jan. 1 and Oct. 24. Pretax profit in the fixed-income group fell 42 percent, to 108.5 million dollars, in the same period.

Peregrine, the first international securities firm to calculate the damage from Asia's market meltdown, said it would still earn a profit for the year. The firm said it was responding to persistent speculation that it would lose between \$300 million and \$1 billion this year.

"It's clear to us that we were not the only one hurt by the very rapid fall in Hong Kong," said Alan Mercer, group legal counsel at Peregrine. "It was a very big fall, and we have taken losses, but I would suggest others have as well."

The majority of Peregrine's losses in equities, which includes derivative products, came as Hong Kong stocks dropped last week, the firm said. Such positions have been reduced or hedged so that further losses are not likely, it said.

"Rumors of losses by Peregrine running into hundreds of millions of U.S. dollars and of Peregrine's financial demise are completely false," the firm said.

Preparing for possible further losses in bond trading, the firm also set aside 271.25 million dollars against possible write-offs in its foreign-exchange division, which includes foreign-exchange trading. It set aside reserves of 193.75 million dollars in the first half of 1997.

Peregrine said its banks had increased their credit lines in recent months.

For Now, Japan Calmly Watches an Asian Storm

By Stephanie Strom
New York Times Service

TOKYO — For the past few years, Japan has sat on the sidelines while much of the rest of the world lived the financial and economic equivalent of a giddy New Year's Eve party.

The upside is that now that the hangover has come on with a global vengeance, causing markets to heave and currencies to plummet, Japan looks equally likely to sit out the malaise.

Japan's exposure to Southeast Asia's troubles is minimal — at least through if property values in Hong Kong should come back to earth, some of Japan's already troubled banks may have another worry.

"The countries experiencing the difficulties are not a huge share of the overall Japanese economy in terms of exports, which has been the one strong area of the Japanese economy," said

Richard Jerrem, an economist at ING Barings Securities (Japan) Ltd.

One sign of Japan's relative stability was that despite losing 192.21 points in the first 15 minutes of trading Friday, the Nikkei stock average ultimately rose 212.19 to close at 17,363.74 as Hong Kong's stock market regained its footing.

Another reason for the relative calm here is that an ever-increasing amount of Japanese production is based outside Japan, and that lessens the impact of sudden swings in currencies.

For example, 70 percent of the parts and components in Toyota Motor Corp.'s new Solara sedan are made in Thailand, where the car is sold. Because the company is using baht to buy those parts and receiving baht when it sells the cars, its exposure to the currency's devaluation is lessened. Should the company choose to export the vehicles from Thailand,

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CURRENCY RATES

Cross Rates	Oct. 24
American \$	1.0000
British £	0.6500
French F	6.5596
German M	1.3663
Italian L	1.3663
Japanese Y	149.74
Swiss S	1.4836
Spanish P	166.37
Portuguese E	200.48
Belgian B	36.363
Dutch G	3.7603
Australian A	1.5478
Canadian C	0.7093
South African R	6.5004
Israeli S	1.8034
Indian Rupee	47.8481
Chinese Yuan	8.2756
Thai Baht	54.7564
Philippine P	49.6861
Indonesian R	1,577.81
Malaysian M	3.4075
Singapore S	1.3663
Brunei B	1.3663
Myanmar K	125.48
Laos K	200.48
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CAPITAL MARKETS ON MONDAY

Gearing Up for New Attacks on Its Dollar, Hong Kong Adjusts Key Rate

HONG KONG — The Hong Kong Monetary Authority has made it more expensive for banks to borrow money to try to keep currency speculators at bay, analysts said.

The authority, which acts as a central bank, on Saturday widened the band within which it can set a key interest rate. The widening of the band could mean the monetary authority foresees further speculative attacks on the Hong Kong dollar's peg to the U.S. dollar, analysts said.

"It's a cautionary measure to fend off speculators," said Edward Chan, head of research at Amstee Securities.

Effective Saturday, the bid and offer rates under the authority's so-called liquidity adjustment facility are 4 percent and 7 percent, changed from 4.25 percent and 6.25 percent.

For banks trying to borrow money, the cost would be slightly higher, "Al-

bert Chan, a spokesman for the Hong Kong Monetary Authority, said.

As Hong Kong interbank rates rise, local banks may prefer to borrow from the authority. Saturday's move was designed to discourage this.

"If banks manage their finances properly, they shouldn't need to come to us repeatedly," Mr. Chan said.

Because of the Hong Kong currency's peg to the U.S. dollar, the Monetary Authority looks to the U.S. federal funds rate in managing its liquidity adjustment facility.

The latest adjustment makes the midpoint of the band match the U.S. federal funds rate at 5.5 percent. Previously, there was a quarter-point difference.

"To widen the spread so banks will have to borrow from the HKMA at 75 basis points higher than before will imply that Hong Kong dollar interest rates will be maintained at a higher level for a

prolonged period," one analyst said.

Analysts said Hong Kong dollar interest rates may stay in double digits this week as policymakers and investors watched for any signs that speculators have abandoned the market.

"The market was much more volatile this week in terms of interest rates," Stanley Wong, regional treasurer for Standard Chartered Bank, told the South China Morning Post at the end of last week. "So widening the bid and offer spread of the LAF will allow a certain flexibility for the HKMA to maneuver the interest rates in an indirect way."

The liquidity adjustment facility allows banks to add to their liquidity positions after the close of the interbank market and enables the authority to supply additional money or absorb money from the banking system. It is also supposed to set a floor and ceiling for the Hong Kong interbank offered rate.

On Friday, the interbank rate was 20 percent.

Many analysts said the Hong Kong Monetary Authority's move to widen the band was unlikely to have a direct impact on the stock market.

The monetary authority effectively declared war on speculators last week, intervening actively in the currency and interest-rate markets to raise the cost of attacking the Hong Kong dollar.

The Hong Kong currency is the last

Asian currency pegged to the U.S. dollar and the latest regional currency to come under attack in the financial turmoil that has swept East Asia since July.

Overnight rates rocketed to 300 percent Thursday at the peak of the crisis, then fell to 6 percent the next day.

The benchmark Hang Seng stock-market index plunged more than 10 percent Thursday as interest rates surged, then bounced back nearly 7 percent Friday as rates eased.

Some analysts said the government's defense of the currency was sound and that the stock exchange would eventually recover because of Hong Kong's fundamental economic strength.

"The HKMA looks as if it has won the battle, if not the war, against the currency speculators," said Hsuan Pai, associate director at Indosuez Asset Management Asia Ltd.

(Reuters Bloomberg, AFP)

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Oct. 24. Prices supplied by Telekurs.

Austrian Schilling

190 Austria 5% 07/15/07 99.300 5.600
232 Austria 5% 04/11/07 100.100 5.700

Belgian Franc

223 Belgium 8 03/28/15 119.850 6.800
226 Belgium 8 05/15/16 108.400 6.600

British Pound

104 Fin Resid Hnd 11/24/99/2000 144.217 7.700
119 BA Credit Card 7% 10/15/04 99.250 7.100
145 Abbey Natl TS 6 08/10/99 97.750 6.100
192 World Bank 7 06/07/02 100.500 6.700

Canadian Dollar

147 Canada 6 03/15/98 100.850 5.950
159 Canada 7% 12/01/03 110.500 6.700

Danish Krone

12 Denmark 7 11/15/97 105.750 6.200
17 Denmark 7 11/15/98 110.110 6.100
20 Denmark 7 11/15/04 104.400 6.700
22 Denmark 8 03/15/98 112.450 7.100
25 Denmark 8 11/15/98 104.300 6.400
36 Denmark 8 11/15/01 109.700 7.300
40 Denmark 7 12/15/04 106.000 6.600
43 Denmark 8 11/15/02 111.400 6.900
46 Denmark 8 12/15/02 110.800 6.800
79 Denmark 8 05/15/03 118.200 7.500
92 Denmark 6 02/15/02 101.570 6.100
114 Nykredit 7 10/01/99 95.500 7.250
111 Nykredit 6 10/01/02 92.100 6.100
117 Nykredit 7 10/01/02 96.300 7.200
120 Nykredit 8 02/15/02 98.500 7.400
174 Real Kredit 6 10/01/02 92.650 6.800
201 Denmark 4 02/15/00 98.070 6.800

Deutsche Mark

1 Germany 6 07/04/07 102.270 5.870
3 Germany 6 01/04/07 102.120 5.880
4 Germany 6 01/07/99 99.203 5.830
5 Germany 6% 04/26/06 104.120 6.000
6 Germany 6% 07/04/07 103.672 6.270
7 Germany 6% 05/12/05 106.994 6.420
8 Germany 6% 10/14/05 105.600 6.150
9 Germany 9 10/20/00 111.157 6.100
10 Germany 4% 05/12/02 97.575 6.100
13 Treasury 7% 12/02/02 102.483 7.100
15 Germany 8 01/21/02 110.600 7.230
18 Germany 8 01/21/02 110.600 7.230
19 Bundesbank 4% 02/22/02 97.860 6.400
21 Bundesbank 7% 05/09/04 111.433 6.750
23 Germany 8% 05/12/02 111.400 7.100
24 Germany 8% 01/04/02 99.723 6.270
26 Treasury 7% 10/01/02 108.737 7.000
27 Germany 6% 05/05/06 102.400 5.860
28 Germany 6% 08/22/00 102.570 6.200
29 Treasury 7% 01/29/03 108.170 6.790
30 Germany 7% 01/03/05 109.958 6.740
32 Germany 8% 09/20/01 112.630 7.200
33 Germany 5 08/30/01 99.800 5.010
35 Federal Tsy 3% 04/15/99 99.210 5.780
37 Federal Tsy 3% 04/15/99 99.200 5.550
38 Treasury 6% 04/15/03 107.833 6.100
47 Germany 3% 12/15/98 99.180 5.330
48 Treasury 6% 04/23/03 105.460 6.160
49 Germany 6% 06/20/04 100.451 5.900
50 Germany 6% 12/20/02 109.427 6.500
51 Germany 6% 07/09/03 106.300 6.250
52 Germany 6% 01/11/04 111.300 6.740
53 Germany 6% 09/15/03 103.240 5.810
54 Germany 7% 10/21/02 108.200 6.790
55 Germany 8% 05/12/02 111.400 7.100
56 Germany 8% 12/20/00 111.900 7.980
57 Germany 8% 02/20/01 110.430 7.700
58 Germany 8% 05/12/02 111.400 7.100
67 Treasury 5 05/21/01 100.070 5.000
68 Treasury 5 01/14/99 100.810 4.900
69 Treasury 6% 02/22/02 106.430 6.300
70 Germany 6% 02/15/02 102.450 5.860
72 Germany 6% 07/15/04 107.120 6.300
73 Germany 5% 05/15/00 102.440 5.720
74 Treasury 6% 03/04/04 104.320 5.900
75 Treasury 6% 05/13/04 107.438 6.280
76 Germany 6% 07/15/03 105.622 6.150
77 Germany 6% 09/15/99 103.764 5.180
78 Germany 7 01/13/00 104.860 6.800

Dutch Guilder

43 Netherlands 6% 02/15/02 100.500 5.720
44 Netherlands 6% 07/15/02 101.810 6.000
45 Netherlands 7% 01/15/02 116.450 6.700
102 Netherlands 5 09/15/02 102.100 5.300
104 Netherlands 9 01/15/01 101.500 5.070
105 Netherlands 8% 02/15/01 110.450 6.500
106 Netherlands 6% 11/15/05 107.500 6.200
136 Netherlands 8% 06/15/02 112.200 7.350
140 Netherlands 7% 03/15/99 103.300 6.700
150 Netherlands 5 11/29/97 99.641 3.260
151 Netherlands 7% 11/15/99 105.400 7.120
152 Netherlands 6% 09/15/01 112.200 7.350
153 Netherlands 6% 04/15/02 105.400 6.160
154 Netherlands 6% 07/15/98 101.400 6.400
155 Netherlands 6% 04/15/02 106.700 6.440
156 Netherlands 7% 01/15/04 101.800 6.550
172 Netherlands 6 01/15/04 102.500 5.850
173 Netherlands 7% 03/01/05 113.100 6.850
174 Netherlands 6% 01/15/04 101.800 6.550
203 Netherlands 7% 01/15/04 106.100 7.200
204 Netherlands 7% 04/15/99 104.600 7.100
205 Netherlands 7% 02/15/03 107.200 7.400
206 Netherlands 9 05/15/00 109.800 8.200
233 Netherlands 6% 02/15/99 102.850 6.560

ECU

64 France OAT 5% 04/25/07 97.650 5.300
110 France OAT 7 04/25/06 106.200 6.470
173 British T-note 5 01/26/99 100.825 5.700
199 France OAT 6 04/25/04 102.550 5.850
221 France BTAN 6 03/16/01 102.480 5.850
247 France OAT 7% 04/25/05 111.000 6.760

French Franc

125 France BTAN 4% 04/12/99 100.470 4.730
130 France OAT 5% 10/25/07 98.540 5.800
131 France OAT 5% 04/25/04 102.550 5.850
142 France OAT 6 10/25/04 107.580 6.700
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Japanese Yen

191 Exim Bk Japan 2% 07/28/05 108.250 2.600
217 JTB 0% 07/28/05 104.350 2.400
240 World Bank 4% 06/20/00 109.750 4.100

South African Rand

241 DBSA zero 12/31/27 2.750 12.630

Spanish Peseta

134 Spain 5 01/31/01 98.070 5.100
148 Spain 5 04/15/00 103.530 6.200
182 Spain 7 25/10/07 109.130 6.730
189 Spain 7 09/28/02 108.940 7.500
250 Spain 10 10/10/28/01 114.540 8.840

Swedish Krona

71 Sweden 1037 8 08/15/07 111.188 7.200
104 Sweden 1036 10 08/15/02 109.180 7.100
114 Sweden 5% 04/12/02 97.770 5.200
165 Sweden 1% 01/21/99 106.630 10.200

U.S. Dollar

2 Brazil Cap S.L. 4% 04/15/14 97.890 4.600
11 Brazil 10% 05/15/02 109.180 10.100
14 Argentina par L 5% 03/12/25 75.343 7.300
31 Mexico 11% 05/15/02 120.537 9.540
34 Argentina 5% 09/15/02 101.550 7.500
39 Brazil FRN 6% 01/01/01 99.270 6.600
41 Argentina 11% 05/15/02 115.783 9.820
42 Brazil FRN 6% 01/01/01 99.270 6.600
44 Brazil par ZI 5% 04/15/24 74.374 7.600
45 Venezuela 9% 09/15/02 94.818 9.750
56 Argentina FRN 6% 03/29/95 91.257 7.300
60 Russia 9% 06/24/07 93.748 9.500
64 Venezuela par A 6% 03/31/20 86.375 7.910
65 IADB 6% 10/27/01 94.900 7.100
69 Brazil S.Z. FRN 6% 04/15/04 97.264 7.600
82 Bulgaria FRN 6% 07/28/01 80.175 6.340
87 Mexico FRN 6% 03/31/01 82.917 6.280
88 Bulgaria FRN 6% 07/28/01 80.175 6.340
91 Saudi Moe 4% 08/22/99 97.500 4.820
95 Mexico 6% 12/31/01 92.917 7.540
97 Venezuela FRN 6% 04/15/02 99.270 6.600
99 Bayerische LB 6% 10/16/00 99.457 6.300
101 Brazil 8% 11/15/01 104.750 7.800
108 Luxembourg Int Pwr 6% 07/28/01 81.039 6.810
115 Poland FRN 6% 09/22/04 101.836 6.810
121 Ecuador FRN 3% 02/28/15 75.039 4.320
124 Brazil Cap S.L. 4% 04/15/14 97.890 4.600
126 Ecuador par 3% 02/28/15 75.039 4.320
129 Canada 2% 07/15/98 95.388 6.900
131 Brazil FRN 5.716 01/22/99 100.000 5.720
137 Brazil S.L. FRN 6% 04/15/02 99.270 6.600
138 Mexico 5.716 01/15/01 117.000 9.720
143 Bayerische LB 6% 04/25/07 101.049 6.550
146 Mexico 6% 07/15/02 99.268 6.100
149 Canada 6% 07/15/02 99.268 6.100
154 CIBC 5.781 09/05/98 99.940 5.700
162 Russia 9% 11/27/01 103.978 9.900
163 Mexico 9% 01/15/01 103.978 9.900
164 Mexico 9% 01/15/01 103.978 9.900
165 Argentina 6% 04/15/02 99.270 6.600
166 Argentina 6% 04/15/02 99.270 6.600
167 Argentina 6% 12/20/03 99.921 8.300
168 Mexico B FRN 6% 05/15/01 99.270 6.600
170 Brazil 6 05/15/01 99.270 6.600
175 Petronas 7% 10/18/06 103.274 6.900
176 Argentina FRN 6% 04/15/01 113.021 9.100
184 Venezuela par B 6% 03/31/20 86.375 7.910
185 Argentina FRN 6% 03/31/20 86.375 7.910
186 UN Bk New Int 5% 10/14/99 99.700 5.750
187 Venezuela FRN 6% 04/15/02 99.270 6.600
188 Ecuador FRN 6% 02/28/15 75.039 4.320
194 Denmark 2% 10/29/97 99.597 5.300
195 Canada FRN 6% 01/01/99 99.990 5.100
196 Commerzbank 5.594 01/29/01 99.600 5.200
202 CADES 2% 12/29/97 99.051 5.900
206 Argentina 11 10/05/06 106.758 9.740
207 Mexico 6% 10/05/06 106.758 9.740
208 CIBC 5.781 09/05/98 99.940 5.700
209 CIBC 5.781 09/05/98 99.940 5.700
210 Ontario 6 02/

Mozart would approve of the way we conduct business in Chicago.

The arts have always flourished in Chicago. And always will.

Thanks to the passionate civic commitment of Chicago's corporate leaders and the city's three largest charitable foundations, an unparalleled investment has been made in the Chicago Symphony Orchestra and Lyric Opera of Chicago. With the establishment of the Facilities Fund, \$100 million has been raised to help enlarge and enhance both Orchestra Hall and the Civic Opera House to retain these classic spaces for the next century.

This is one venture in the continuing renaissance that helps mark this city as a world cultural leader. In all, \$513 million is currently being invested in Chicago's vast landscape of world-class museums, theaters and music venues of all sizes.

Never before in history has a corporate community responded like this to a cultural need. Chicago's corporations are proud to be an integral part of this flourishing creative environment. In partnership with the city of Chicago and the state of Illinois, they are ensuring cultural excellence remains the hallmark of this great city for generations to come.

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BRIEFLY
Russian Has Talks
In Syria and Iraq

Mubarak Launches
Privatization Project

Visitors High
In Columbia

For the Record

From Administration

VINE
on the Rocks

Consolidated prices for all shares
traded during week ended Friday,
Oct. 24

Stocks	Div	Yld	Series			Chg
			100s	High	Low	
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4	100	1900	10	10	10	10	10	10	10
5	100	1900	10	10	10	10	10	10	10
6	100	1900	10	10	10	10	10	10	10
7	100	1900	10	10	10	10	10	10	10
8	100	1900	10	10	10	10	10	10	10
9	100	1900	10	10	10	10	10	10	10
10	100	1900	10	10	10	10	10	10	10
11	100	1900	10	10	10	10	10	10	10
12	100	1900	10	10	10	10	10	10	10
13	100	1900	10	10	10	10	10	10	10
14	100	1900	10	10	10	10	10	10	10
15	100	1900	10	10	10	10	10	10	10
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Figures as of close of trading Friday, Oct. 24

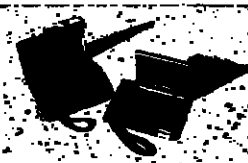
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Continued on Page 16

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SPORTS

6 Interceptions Power Michigan State Rival Crushed, 23-7

The Associated Press
Michigan used six interceptions, including two each by Charles Woodson and Marcus Ray, to beat No. 15 Michigan State, 23-7.

COLLEGE FOOTBALL

Michigan State's only points Saturday came on a fake field goal, when holder Bill Burke threw a 22-yard

yards and one score, and full-back Joel Makovicka scored two touchdowns for Nebraska (7-0, 4-0), which is off to a 7-0 start for the 10th time in Tom Osborne's 25 years as coach.

No. 3 Florida St. 47, Virginia 21 In Charlottesville, Virginia, Florida State scored touchdowns on three of its first five plays from scrimmage and avenged its only Atlantic Coast Conference loss in 45 games. The No. 3 Seminoles (7-0, 5-0 Atlantic Coast Conference) lost in Charlottesville two years ago.

Travis Minor ran 87 yards for a score on the Seminoles' first play from scrimmage.

No. 7 Washington 45, Oregon State 17 In Corvallis, Oregon, Raashan Shehee rushed for 169 yards and two touchdowns, his fourth consecutive 100-yard game, as Washington (6-1, 4-0 Pac-10) scored 35 unanswered points in the second half to beat Oregon State (3-4, 0-4).

No. 9 Ohio St. 49, Northwestern 17 In Columbus, Ohio, Joe Germaine threw three touchdowns passes, including two to Dee Miller, as Ohio State (7-1, 3-1 Big Ten) rolled over Northwestern (3-6, 1-4).

No. 10 Washington St. 35, Arizona 34 In Pullman, Washington, Ryan Leaf's one-yard touchdown drive gave Washington State (7-0, 5-0 Pac-10) the overtime victory over Arizona (3-5, 1-4). Leaf, the top-rated passer in the nation, threw for a career-high 384 yards and three TDs.

No. 11 Auburn 26, Arkansas 21 In Fayetteville, Arkansas, Dameyune Craig burned an Arkansas blitz for a 70-yard touchdown pass and Jared



The Wolverines' Chris Howard, left, trying to escape the hot pursuit of Michigan State's Courtney Ledyard.

Holmes kicked four field goals as Auburn (7-1, 4-1 Southeastern Conference) built a 19-point lead and hung on to beat stubborn Arkansas (3-4, 1-3).

No. 13 UCLA 35, California 17 In Pasadena, California, Jim McElroy caught two touchdowns passes from Cade McNown and ran for another score as UCLA (6-2, 4-1 Pac-10) won its sixth in a row. McNown threw for 259 yards to become UCLA's career leader in passing yardage with 6,261.

No. 14 Kansas St. 28, Oklahoma 7 In Norman, Oklahoma, Michael Bishop ran for one touchdown and passed for another as Kansas State (6-1, 3-1 Big 12) beat Oklahoma (3-5, 1-3) for the fifth straight time.

No. 16 Georgia 23, Kentucky 13 In Athens, Georgia, Robert Edwards rushed for a career-high 186 yards as

Georgia (6-1, 4-1 SEC) shut down Kentucky.

No. 18 Iowa 62, Indiana 9 In Iowa City, Randy Reiners ran for a touchdown and threw for two in his first start and Tim Dwight scored on a 92-yard punt return as Iowa (5-2, 2-2 Big Ten) routed Indiana (1-7, 0-5).

No. 21 West Virginia 30, No. 19 Virginia Tech 17 In Morgantown, West Virginia, Marc Bulger threw for one touchdown and ran for another and Amos Zereoue rushed for 153 yards and a score to lead West Virginia (6-1, 3-1 Big East) over Virginia Tech (5-2, 4-1).

Texas Tech 16, No. 20 Texas A&M 13 Tony Rogers won it for Texas Tech (4-3, 3-1 Big 12) with a 47-yard field goal that hit the left upright and bounced through with 19 seconds left in Lubbock against A&M (5-2, 2-2).

In Champaign, Illinois, Billy Dicken threw for two touchdowns and ran for one as Purdue (6-1, 4-0 Big Ten) won its sixth straight game.

Alabama 29, No. 25 Mississippi 20 In Oxford, Missis-

siippi, Curtis Alexander rushed for 141 yards, including a 56-yard touchdown scamper in the third quarter, as Alabama (4-3, 2-3 SEC) rallied to beat Mississippi (4-3, 2-3).

Kicker Lifts Crimson

Compiled by Our Staff From Dispatches

Princeton prevented Harvard's high-scoring offense from scoring a touchdown, but still lost. Mike Giampaolo kicked four field goals to lift the Crimson (5-1, 3-0 Ivy League) to a 14-12 victory over Princeton (4-2, 1-2) before a rain-drenched crowd of about 2,000 at Harvard Stadium in Cambridge, Massachusetts.

Princeton grabbed a 12-8 lead in the fourth quarter, thanks to a 65-yard pass from Harry Nakiely to Ryan Crowley, but Harvard rallied with two field goals. The first one, a 21-yarder, was tipped by a Princeton tackle, Dave Ferrara, and barely made it over the crossbar. The last one, a 43-yarder, also just cleared the bar.

Columbia 21, Yale 10 Columbia streaked to a 21-0 lead in the opening period, then hung on for victory over Yale (1-5, 0-3) before a homecoming crowd of 4,665 at Baker Field in Manhattan.

Penn 31, Brown 10 James Finn rushed for 94 yards and scored three touchdowns as Penn beat Brown in Philadelphia. Matt Rader, the quarterback for Penn (3-3, 2-1 Ivy League), completed 19 of 30 passes for 334 yards and a touchdown. Doug O'Neil caught four passes for 93 yards.

Lehigh 46, Dartmouth 26 Rabbil Abdullah of Lehigh ground out 186 yards rushing and scored four times as Lehigh snapped Dartmouth's unbeaten streak at 22 games.

(AP, NYT)

Eagles Stop Dallas With a Late TD

The Associated Press
The Philadelphia Eagles scored the game's only touchdown with 45 seconds to play on Sunday to beat the Dallas Cowboys 13-12.

The Eagles defense also played its part, sacking the Dallas quarterbacks five

NFL ROUNDOUP

times and keeping the Cowboys out of the end zone.

The Eagles didn't find the end zone themselves until the final minute when Rodney Peete, the Eagles quarterback, threw an 8-yard touchdown pass to Chad Lewis to earn Philadelphia the victory.

Lewis' only catch of the game ended a 10-play, 74-yard drive sustained by a 27-yard pass to Kevin Turner and an 11-yard completion to Irving Fryar on fourth-and-11.

The Eagles knocked out Troy Aikman, the Cowboys starting quarterback, early in the first quarter. Aikman left the game with a strained neck and mild concussion.

Dallas could muster only Richie Cunningham's four field goals. Emmitt Smith ran 25 times for 126 yards, only his second 100-yard game of the season. Aikman's replacement, Wade Wilson, finished 11-of-16 for 108 yards.

Chiefs 28, Rams 20 Pete Stoyanovich kicked four field goals as Kansas City beat the error-prone Rams in St. Louis, Missouri.

It was the first regular-season meeting between the teams since the Rams moved to Missouri from California, in 1995.

The Chiefs converted three lost fumbles and an interception into 14 points.

Elvis Grbac threw a 21-yard touchdown pass to Lake Dawson and completed a pair of 2-point conversion passes.

Stoyanovich connected from 25, 52, 41 and 39 yards for his seventh career four-field goal game. Marcus Allen added his 117th career touchdown, extending his NFL record on a 2-yard run in the third quarter to make it 28-14, and the Chiefs ran out the final 5:07 after Jeff Wilkins' field

goal cut the gap to eight.

Ravens 20, Redskins 17 The Washington Redskins' unbeaten run at their new stadium ended in a driving rain under a barrage of carries by Bam Morris.

Morris ran 36 times for 176 yards, both career highs, as the Baltimore Ravens handed the Redskins their first defeat at Jack Kent Cooke Stadium.

Morris gained 103 yards on 19 attempts in the first half alone.

The Ravens fumbled five times but recovered four of them and never trailed in the first meeting between Maryland's two NFL teams. The Redskins were 3-0 since moving from Washington to their new home in Landover.

Morris started the season serving a four-week suspension for violating the NFL policy on substance abuse.

Morris also served time in jail two weeks ago for violating probation on his arrest last year for drug possession.

Vinny Testaverde, the Ravens quarterback, content to spend most of the soggy afternoon handing the ball to Morris, was 10-for-21 for 142 yards. Redskins quarterback Gus Frerotte went 17-for-33 for 199 yards and two touchdowns.

49ers 23, Saints 0 San Francisco continued to plow through its weak schedule with a lackluster victory over New Orleans. San Francisco holding the Saints to 142 yards.

Steve Young passed for two touchdowns, and Gary Anderson kicked three field goals for the 49ers' points.

Too Many Miami Fish

Because of Sunday night baseball there will be a double dose of Monday night football. The Associated Press reported from Miami.

After Cleveland forced its World Series against the Marlins to a seventh game, in Miami on Sunday, the Sunday football game between the Miami Dolphins and the Chicago Bears, also scheduled for Pro Player Stadium, was postponed until Monday.

For Ogea, Beginner's Luck With a Bat

Washington Post Service

MIAMI — Chad Ogea, the Cleveland Indians' pitcher whose last base hit came in high school, beat Kevin Brown, the Marlins' ace, all by himself with a bases-loaded single and a leadoff double that led to a total of three runs.

In Game 2, Ogea also outpitched Brown, winning, 6-1. So, the Marlins' \$13 million free agent was beaten head-to-head twice by a 26-year-old with an 8-9 record and a 4.99 earned-run average.

In Game 2, Ogea was performing at the high end of his professional talent, proving that, on his best night, he could go 6 2/3 innings in the World Series and allow only one run. That was pitching.

Saturday night was something else entirely. Ogea lasted five innings and allowed one run. He got the victory. But every soul in Pro Player Stadium knew the truth. Ogea might as well have worn a uniform stitched out of rabbit's feet.

Jeff Conine was the perfect symbolic Marlin against Ogea. He may not have hit two balls harder all season than his towering fly to center and his too-fast-for-the-eye-to-see line drive to left. Both were caught. Even Brown barely missed a retaliatory homer of his own, his long fly dying at the left-field wall.

Sometimes, the fates touch the shoulder of a humble big leaguer of normal ability and every act he attempts is blessed. His mistakes are forgiven. That was Ogea on Saturday.

As he left the mound, Ogea leaped over the third-base line — so he wouldn't touch it and get bad luck. Son, don't press it. You've used up a career of good fortune.

Perhaps the longest lasting image in this game will be Ogea at bat in the second inning. With the bases loaded

and one out, the correct strategy was simple: strike out. That is to say, don't ground into an double play against Brown's sinkerball. Make sure that Bip Roberts, in the on-deck circle, gets to hit.

Ogea battled through seven pitches. He stood so far from the plate that he looked like he needed a lawn tool, not a mere bat, to reach the outside corner.

Pitchers no longer bat in college or in the minors. As an American Leaguer, Ogea had only four career plate appearances — all this year in interleague play. He was 0 for 2 with two sacrifice bunts.

There's only one pitcher against whom Ogea had any experience: He saw Brown three times in Game 2. At the moment, he has actually seen Brown five times and all the other pitchers on Earth four times. "The hitters will laugh at me, but I actually saw the ball good against him last time," Ogea said. "I'm glad he didn't throw me any breaking balls tonight. I probably wouldn't have had too much luck."

Baseball may have no more stubborn player than Brown. It has always been his clubhouse trademark. Nobody can tell Kevin Brown anything. His eight straight fastballs to Ogea were right in character. As his at-bat progressed, Ogea actually seemed to gain confidence. He ticked four pitches. The fourth bounced up and smacked him in the face. On the next pitch, he smacked Brown.

All night, Ogea had hung sliders and left his modest fastball in the center of the plate, only for the Marlins to pop the ball with enormous swings or crush it directly at fielders. Now, Brown threw a

textbook 2-2 fastball exactly on the low-outside corner.

Ogea poked at the blur with his garden rake and caught the ball squarely on the last inch of the bat. For an instant, it seemed that his line drive to first would end up in Conine's glove for an easy double play with the runner trapped off first base. Conine's lungs were inches shy.

"This was one of those freak games," said Jim Leyland, the Florida manager. Leyland also said that Ogea's pitching "impressed" him. The alternative? Admit how much his Marlins were pressing and overreacting. You don't say that before Game 7.

PERHAPS Brown did not truly believe the freak hit that had wounded him so badly. The Marlins' right-hander, besides his 17-11 record, has a degree in chemical engineering from Georgia Tech. He clearly needed more evidence that a pitcher with a .060 career average could whack the great Brown. The experiment had to be duplicated.

So, when Ogea led off the fifth inning, Brown started him with exactly the same pitch — a fastball low and away. And Ogea did exactly the same thing — poked a liner to Conine's left. Conine dived. Nada. Zip. After a death-defying slide, Ogea got his double as the ball rattled in the right field corner.

Before the inning was done, Ogea scored on a long sacrifice fly. Back in the dugout, teammates poured water over his head to revive him and pressed compresses on his neck to prepare him for the next inning. All that was missing was a ring girl and a cut man.

Penguins Rally in OT to Defeat Canucks, 3-2

The Associated Press

The Pittsburgh Penguins continued to make the best of the longest road trip in franchise history, rallying to beat the Vancouver Canucks, 3-2, on Kevin Hatcher's overtime goal.

Hatcher scored 42 seconds into overtime on Saturday night, skating around a sprawling Vancouver defenseman, Bret Hedican, be-

second-period breakaway and Mikhail Shtalenkov made 37 saves as visiting Anaheim beat the New York Islanders.

Tomas Sandstrom, Dmitri Mironov and Scott Young also scored for the Mighty Ducks, who evened their record at 4-4-2. Bryan Berard and Robert Reichel scored for the Islanders.

Panthers 5, Bruins 4 Bill Lindsay broke a tie late in the third period to lead Florida to victory in Boston, ending the Bruins' undefeated streak at six games.

Ray Sheppard scored twice for the Panthers — his first two goals of the season — to run his career total to 306 in his 11th NHL campaign.

Canadiens 4, Senators 2 Martin Rucinsky scored two goals as Montreal handed Ottawa its first home defeat of the season and its first in 10 games going back to last season.

Sharks 4, Devils 3 Todd Gill, Owen Nolan and Tony Granato scored in a span of 2:33 late in the first period to

spark San Jose to victory in New Jersey. Jeff Friesen also scored for the Sharks, who ended a four-game losing streak.

Maple Leafs 4, Flames 3 Mats Sundin, the Toronto captain, scored one goal and contributed assists on two others to lead the Maple Leafs to their first home victory of the season.

Stars 3, Avalanche 1 In Dallas, Pat Verbeck and Mike Modano scored third-period goals, handing goaltender Patrick Roy his first loss of the season.

Blues 5, Capitals 2 In St. Louis, Brett Hull scored his eighth goal and Grant Fuhr stopped 16 shots to lead the Blues to their first victory over Washington since 1992.

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THE WORLD'S DAILY PAPER

THIS WEEK ON EUROSPORT

It's the last chance to see the traditional giants of world football as the play-offs for France '98 can only overcome the disappointment of not having their group and the compensation as they travel to Russia?

Football:
29 October, World Cup play-off, Russia v Italy
The first leg of the knock-out encounter to decide which of these teams goes through to the World Cup Finals

Tennis:
27 Oct - 2 November, LIVE, The Open de la Ville de Paris
The final Mercedes Super 9 of the year comes from Paris and provides not just \$2.3m prize money but a last chance to qualify for the World Championship

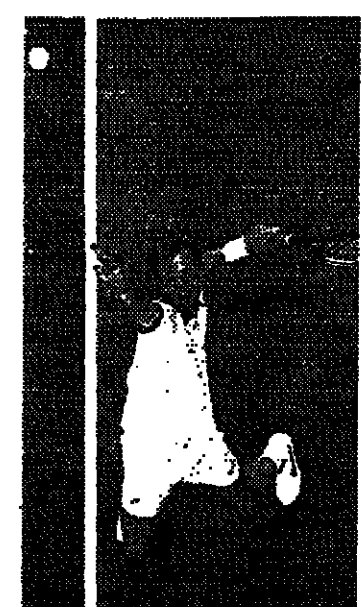
Football:
28 October, LIVE, AC Milan v The Rest of the World
Franco Baresi's testimonial game features Eric Cantona, Maradona, George Weah and Rudd Gullit amongst a host of international stars

Athletics:
2 November, LIVE, The New York City Marathon
One of the most spectacular races in the world sees 29,000 runners racing through all five boroughs of New York

Motor racing:
2 November, LIVE, NASCAR Phoenix, USA
The 32nd and final leg of the Winston Cup comes from Phoenix, Arizona

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WORLD ROUNDUP



Petr Korda serving to Richard Krajicek in Sunday's final.

Victory for Korda

TENNIS Petr Korda won his first title in nearly two years Sunday with a tidy 7-6, 6-2, 6-4 victory over Richard Krajicek at the Eurocard Open in Stuttgart.

The victory will move Korda, 29, back into the top 10 of the world rankings. "The way I played this week is a dream come true," said Korda, who has been in the top 10 for the first time since August 1993. "This is what I'm living for." (Reuters)

McGinley Wins by 4

GOLF Paul McGinley chalked up his second European Tour victory in a six-year career on Sunday as he won the OKI Pro-Am in Madrid. The Irishman finished four strokes ahead of England's Iain Pymman after a 3-under-par final round of 69 for a 22-under-par 266. (Reuters)

France Fights Back

RUGBY UNION France came from behind in the final minutes on Sunday to beat Argentina, 32-27, in Tarbes and retain the Latin Cup.

Lisandro Arbizu, who plays club rugby in France, put Argentina ahead, 27-22, with a drop goal and a penalty before Christian Calmano gave France victory with a try. (Reuters)

Lightning Strikes Crisp

ICE HOCKEY The Tampa Bay Lightning on Sunday dismissed Terry Crisp, the only coach it has ever had and the longest tenured coach in the NHL.

Phil Esposito, the general manager, told the players before the morning skate. "If a coach can't get through to them, you change the coach," Esposito said. "I'm not sure that's the case, but I can't take the chance anymore." (AP)

Female Kicker Is a Miss

FOOTBALL Liz Heaston, the first woman kicker in college football, missed on two extra point attempts as Willamette beat Southern Oregon, 41-27, Saturday.

"I'm still a little rattled," Heaston said. "Obviously, I need a lot of practice." Heaston was not expected to play, said Dan Hawkins, the Willamette coach. He turned to her after Gordon Thomas, missed two attempts. (AP)

Barkley Is Arrested

BASKETBALL Charles Barkley, the Houston Rockets forward, was arrested early Sunday in Orlando for hurling a bar patron through a plate-glass window after the man tossed a glass of ice at him.

The police said Barkley told the victim as he lay on the ground: "You got what you deserve. You don't respect me. I hope you're hurt." Jorge Lugo, 20, was treated for a minor laceration to his arm.

Barkley, who was in Orlando for a preseason game, was charged with aggravated battery and resisting arrest without violence. (AP)

Villeneuve Survives Bump to Win Formula One Title

The Associated Press

JEREZ, Spain — Jacques Villeneuve won his first world drivers' championship Sunday when he came in third in the final Grand Prix of the season despite colliding with Michael Schumacher on the 48th lap.

Schumacher, who started the European Grand Prix here one point ahead of Villeneuve, bounced off the track when he collided with the challenger. Mika Hakkinen in a McLaren Mercedes won his first career Formula One victory. His teammate, David Coulthard, was second and Villeneuve third. Villeneuve finished the season with 81 points to Schumacher's 78.

Schumacher, driving a Ferrari, needed only to finish ahead of Villeneuve to win his third world title. Schumacher was leading when the Canadian passed on the inside going into a right-hand corner. As Schumacher turned, he hit Villeneuve's car and

then ricocheted off the track. Both drivers were both called before stewards after the race, but the officials decided to take no action after hearing from both sides.

As far as Villeneuve was concerned, the stiff bump by Schumacher was intentional.

"I really wasn't surprised when he tried to run in to me," he said. "It was a little expected. I knew I was taking a big risk, but when he turned in on me and we banged wheels, I jumped in the air. I really felt I'd broken the car. Luckily, he went off."

"The way he hit me was really, really hard," Villeneuve added. "I'm surprised I finished the race. Either Michael had his eyes closed or his hands slid on the steering wheel or something."

Schumacher, who won world titles in 1994 and 1995, faced similar accusations in the final race of 1994 when he led Damon Hill by a point. His car hit a wall, and as he recovered from the error, Hill tried

to pass. They collided and neither finished the race — giving Schumacher the title.

On Sunday, Villeneuve's car was more than halfway past when Schumacher seemed to try to cut him off. The German's wheel knocked into Villeneuve's chassis, and his car bounced into a gravel trap used to slow the cars if they miss tight curves.

When Schumacher tried to rejoin the race, his wheels simply spun in the gravel.

Villeneuve's victory also spelled defeat for Ferrari, which was trying to win its first world title since Jody Scheckter of South Africa won it in 1979.

Schumacher had seemed en route to his 28th career victory and his sixth this year. Villeneuve sat in pole position but Schumacher jumped ahead at the start from his No. 2 spot on the grid.

Before a pit stop on the 22nd lap, Schumacher had a 5.2-second lead on the Canadian. He was back in the lead by the 28th after Villeneuve's first pit stop

and held it until he pined after 42 laps.

Villeneuve went into the pit on the 43d lap, and when he came out Schumacher was 2.6 seconds ahead. But Villeneuve's Williams Renault was the quicker car and he quickly caught Schumacher.

Villeneuve took the lead but his car faded near the end with bad tires as the two McLaren Mercedes cars of Hakkinen and Coulthard passed Villeneuve on the final lap. It didn't matter for Villeneuve, who needed only to finish in one of the top six places to assure his first world title.

Villeneuve missed a chance to win the world title two weeks ago in the Japanese Grand Prix when he needed only to finish ahead of Schumacher in one of the top-six point-scoring spots. Instead he was disqualified in the Saturday practice run for failing to yield to a yellow caution flag.

Schumacher went on to win the race and take the one-point lead into the final.

Indians Hang Tough To Reach Game 7

4-1 Victory Sets Up Series Finale

By Mark Maske
Washington Post Service

MIAMI — Once again, the Cleveland Indians refused to go away quietly. Chad Ogea was the pitching and hitting hero as the resilient Indians forced a winner-take-all seventh game in the 93d World Series by beating the Florida Marlins, 4-1, on a steamy evening at Pro Player Stadium.

Baseball has its first World Series Game 7 since 1991, when the Minnesota Twins beat the Atlanta Braves, 1-0, in 10 innings behind the pitching of Jack Morris.

A series that had been decidedly underwhelming through five games finally produced some elegant, riveting baseball on Saturday.

The Marlins had Kevin Brown on the mound with an opportunity to win the World Series in only their fifth year of existence. But the Indians hung on.

Chad Ogea, the Cleveland starter, beat Brown for the second time in the series, limiting the Marlins to four hits and one run in five-plus innings.

And Ogea had plenty of defensive



help in this one. Center fielder Marquis Grissom and left fielder David Justice made superb catches to rob the Marlins' Jeff Conine of hits, and shortstop Omar Vizquel provided an otherworldly play to steal a two-run single from Charles Johnson in the sixth inning.

"I thought Cleveland played pretty much a perfect ball game," said Jim Leyland, the Marlins' manager.

Florida left the bases loaded in the seventh inning and stranded 11 runners, breaking through only on Darren Daulton's sacrifice fly in the fifth.

Ogea, who said that his last hit had come in high school, victimized Brown for a two-run single in the second inning, and had a leadoff double and scored a run in the fifth. (Page 19). Manny Ramirez drove in a pair of runs for the Indians with sacrifice flies.

Brown yielded five hits and four runs in his five innings before Leyland lifted him for a pinch-hitter, Daulton, in the bottom of the fifth.

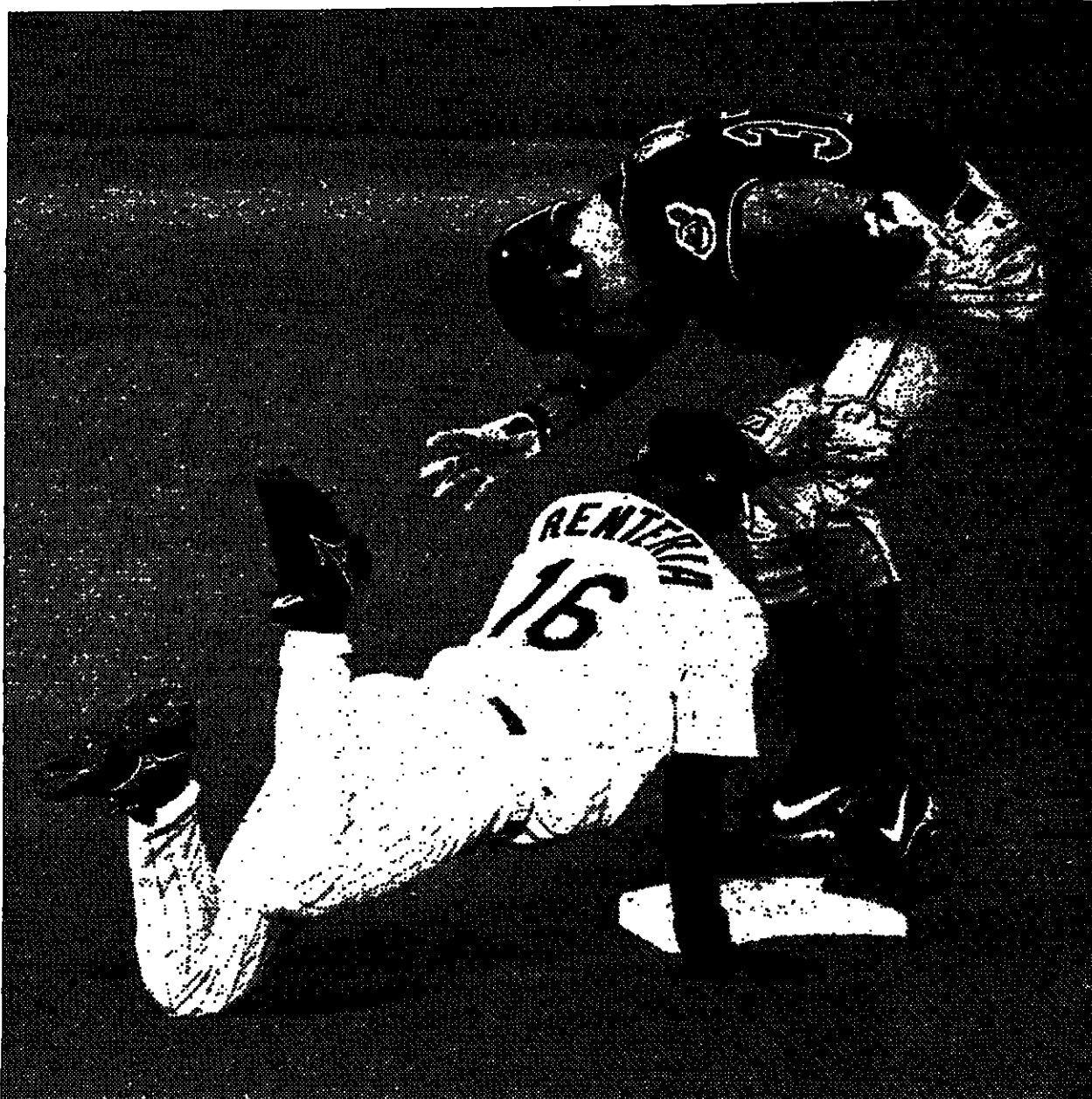
Matt Williams led off the second inning with a bounce to third baseman Bobby Bonilla's left. The ball clanked off Bonilla's glove, and Williams was given an infield single. Brown then walked Jim Thome on a full-count pitch and, after Sandy Alomar's fly out, walked Grissom, the No. 8 hitter, to load the bases. Up stepped Ogea, who lined a shot into right field for a base hit, scoring Williams and Thome.

Cleveland made it 3-0 in the third. Vizquel led off with a double on a ground ball, then made a daring play, taking off for third base against Johnson, the rifle-armed Florida catcher. Baseball's commandments dictate that you never make the first or third out of an inning at third base. But Vizquel got a tremendous jump against Brown and stole the base. Ramirez's fly ball to Devon White in center field on the next pitch scored Vizquel.

Ogea struck again in the fifth. He smacked Brown's first pitch of the inning between Conine and the first base bag for a double. It was the first double for a pitcher in World Series competition since Al Leiter had one for the Toronto Blue Jays in 1993. Ogea was using the bats of Orel Hershisser, who went 3 for 3 in a World Series game for the Los Angeles Dodgers in 1988.

"It looks like he's had a bat in his hands before," Leyland said. "He's very aggressive, almost like a regular hitter."

Ogea moved to third base when Bip Roberts lined a single to left field, then scored on Ramirez's one-out fly to White in medium-deep center.



The Marlins' Edgar Renteria putting a late tag on the Indians' Chad Ogea, who was safe with a double.

The lead was 4-1 when the Cleveland manager, Mike Hargrove, went to his bullpen after Ogea walked Gary Sheffield to open the sixth.

Reliever Mike Jackson issued a one-out walk to pinch hitter Jim Eisenreich, and the runners advanced to second and third on Alou's groundout.

Vizquel then demonstrated why he's the sport's best defensive shortstop.

Johnson pulled a grounder toward the hole on the left side of the infield.

Vizquel made a diving, backhanded grab on the outfield grass, popped to his feet and threw out the plodding catcher by a comfortable margin at first base.

"I think this was the most important play I ever made in my career," Vizquel said.

"I knew if I dove, I was going to have

a good chance to catch it. I didn't know if I was going to throw the guy out at first base."

Florida loaded the bases against Jackson in the seventh. Craig Counsell and John Cangelosi, pinch-hitting, opened the inning with base hits, and Sheffield drew a two-out walk. But Bonilla couldn't capitalize, hitting a fly out to Grissom in shallow center field.

A Tie Dulls Japan's World Cup Hopes

Compiled by Our Staff From Dispatches

Japan could only scrape a 1-1 draw Sunday against the United Arab Emirates in a match it needed to win to revive its hopes of qualifying for next summer's World Cup.

The result left Japan third in Asian qualifying Group B, a point behind

Arsenal thwarted, Page 18

UAE. It also ensured that South Korea, Japan's joint hosts for the 2002 finals, would finish first in the group and qualify for the World Cup.

Japan needs to overtake the UAE to gain a place in a play-off between the runners up in Asia's two qualifying groups, match for the two group runners-up. Both teams have two matches

left. Japan plays in South Korea and then hosts fourth-place Kazakhstan.

UAE hosts bottom-of-the-table Uzbekistan and then South Korea.

On Sunday, Japan took the lead in third minute with a goal by Brazilian-born striker Wagner Lopes.

But as the half wore on Japan became careless and after 36 minutes

UAE defender Suhail Thabit Mubarak rose to head a free kick past Yoshikatsu Kawaguchi the Japanese goalkeeper.

Japan created several chances in the second half but could not score.

Spain Barcelona took a five-point lead at the top of the Spanish first division Sunday when it beat Racing Santander 2-0 in Barcelona. Real Madrid, which is second, plays Mallorca on Monday.

Barcelona failed to hit top form but

goals from Luis Enrique and Oscar Garcia gave it victory.

At the other end of the table disgruntled Valencia fans applauded Oviedo's equalizer in the 1-1 draw. Valencia's Brazilian striker Romario scored his first league goal since returning to Spain.

NETHERLANDS Ajax kept its grip on the top of the Dutch league Sunday when it beat Feyenoord Rotterdam, 4-0. Ajax's 11th straight league victory kept it five points ahead of PSV Eindhoven, which thrashed MVV Maastricht by 5-0 on Saturday.

Ajax took the lead with a penalty in after Shota Arveladze was pulled down by Feyenoord's Bernard Schuitman. Jari Litmanen scored. Arveladze scored the second, created the third for Dani and the fourth for Ronald de Boer.



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